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SCE Intelligent Commercial Management Holdings Limited

中駿商管智慧服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 606)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS —
(1) 2024-2026 MASTER COMMERCIAL PROPERTY MANAGEMENT
AND OPERATIONAL SERVICES AGREEMENT;
(2) 2024–2026 MASTER RESIDENTIAL PROPERTY MANAGEMENT
SERVICES AGREEMENT;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A letter from the Board is set out on pages 5 to 23 of this circular. A letter from the Independent Board Committee is set out on pages 24 to 25 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 47 of this circular.

A notice convening the extraordinary general meeting of the Company to be held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 25 January 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-3 to this circular and the proxy form is also enclosed hereto. Whether or not you are able to attend and/or vote at the extraordinary general meeting in person, you are requested to complete the enclosed proxy form and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the extraordinary general meeting (i.e. no later than 3:00 p.m. on Tuesday, 23 January 2024 (Hong Kong Time)) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the extraordinary general meeting or any adjournment thereof in person should you so wish.

8 January 2024

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DEFINITIONS

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

- “2021–2023 Master Commercial Property Management and Operational Services Agreement” the master commercial property management and operational services agreement dated 17 June 2021 entered into between the Company and Mr. Wong, pursuant to which the Group agreed to provide to Mr. Wong and his associates, mainly including but not limited to China SCE Holdings and/or its subsidiaries, as well as associates of China SCE Holdings, commercial property management and operational services for a term commencing from 2 July 2021 to 31 December 2023
- “2021–2023 Master Residential Property Management Services Agreement” the master residential property management services agreement dated 17 June 2021 entered into between the Company and China SCE Holdings, pursuant to which the Group agreed to provide to China SCE Holdings and its associates residential property management services for a term commencing from 2 July 2021 to 31 December 2023
- “2024–2026 Master Commercial Property Management and Operational Services Agreement” the master commercial property management and operational services agreement dated 6 December 2023 entered into between the Company and Mr. Wong, pursuant to which the Group agreed to provide to Mr. Wong and his associates, mainly including but not limited to China SCE Holdings and/or its subsidiaries, as well as associates of China SCE Holdings, commercial property management and operational services for a term commencing from 1 January 2024 or the date of passing the relevant shareholder resolution approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement (whichever is later) to 31 December 2026
- “2024–2026 Master Residential Property Management Services Agreement” the master residential property management services agreement dated 6 December 2023 entered into between the Company and China SCE Holdings, pursuant to which the Group agreed to provide to China SCE Holdings and its associates residential property management services for a term commencing from 1 January 2024 or the date of fulfillment of the condition precedent of the 2024–2026 Master Residential Property Management Services Agreement (whichever is later) to 31 December 2026

DEFINITIONS

“Announcement”	the announcement of the Company dated 6 December 2023 in relation to, among other things, the 2024-2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“China SCE Group”	China SCE Holdings and its subsidiaries but excluding the Group
“China SCE Holdings”	China SCE Group Holdings Limited (中駿集團控股有限公司) (stock code: 1966), an exempted company incorporated in the Cayman Islands with limited liability on 30 November 2007, whose shares are listed on the Main Board of the Stock Exchange, and one of the controlling shareholders
“Company”	SCE Intelligent Commercial Management Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 20 August 2019, whose shares are listed on the Main Board of the Stock Exchange (stock code: 606)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 25 January 2024 at 3:00 p.m. for the Independent Shareholders to consider and, if thought fit, approve the 2024-2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps)
“GFA”	gross floor area
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung, being all the independent non-executive Directors, established for the purpose of, among other things, advising the Independent Shareholders in respect of the 2024-2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps)
“Independent Financial Adviser”	Euto Capital Partners 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), being the appointed independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps)
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM for the relevant resolution with respect to the 2024-2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps)
“Independent Third Party(ies)”	individual(s) or company(ies) who, as far as the Directors are aware after having made all reasonable enquiries, is/are not connected person(s) of the Company within the meaning of the Listing Rules
“Latest Practicable Date”	3 January 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Chiu Yeung (黃朝陽), the Company’s ultimate Controlling Shareholder
“PRC”	the People’s Republic of China and, for the purpose of this circular only, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent



SCE Intelligent Commercial Management Holdings Limited

中駿商管智慧服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 606)

Executive Directors:

Mr. Wong Lun (*Chairman*)
Mr. Niu Wei
Mr. Sun Qiang
Mr. Zheng Quanlou
Ms. Ku Weihong

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Director:

Mr. Huang Youquan

*Principal place of business
and head office in the PRC:*

5/F, SCE Tower
No. 2, Lane 1688
Shenchang Road
Hongqiao Business District
Shanghai
The PRC

Independent Non-executive Directors:

Mr. Ding Zuyu
Mr. Wang Yongping
Mr. Pang Hon Chung

*Principal place of business
in Hong Kong:*

Room 2801, Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

8 January 2024

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS —
(1) 2024-2026 MASTER COMMERCIAL PROPERTY MANAGEMENT
AND OPERATIONAL SERVICES AGREEMENT;
(2) 2024–2026 MASTER RESIDENTIAL PROPERTY MANAGEMENT
SERVICES AGREEMENT**

INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, on 6 December 2023 (after trading hours), (1) the Company and Mr. Wong entered into the 2024–2026 Master Commercial Property Management and Operational Services Agreement, pursuant to which the Group agreed to provide to Mr. Wong and his associates, mainly including but not

LETTER FROM THE BOARD

limited to China SCE Holdings and/or its subsidiaries, as well as associates of China SCE Holdings, commercial property management and operational services for a term commencing from 1 January 2024 or the date of passing the relevant shareholder resolution approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement (whichever is later) to 31 December 2026; and (2) the Company and China SCE Holdings entered into the 2024–2026 Master Residential Property Management Services Agreement, pursuant to which the Group agreed to provide to China SCE Holdings and its associates residential property management services for a term commencing from 1 January 2024 or the date of fulfillment of the condition precedent of the 2024–2026 Master Residential Property Management Services Agreement (whichever is later) to 31 December 2026.

The purpose of this circular is to provide you with, among others, (i) further details of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps); (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders regarding the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps); (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) notice of EGM.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2024–2026 MASTER COMMERCIAL PROPERTY MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT

2024–2026 Master Commercial Property Management and Operational Services Agreement

Reference is made to the section headed “Connected Transactions” in the prospectus of the Company dated 21 June 2021 in relation to the 2021–2023 Master Commercial Property Management and Operational Services Agreement and the related annual caps for the three years ended 31 December 2023. The 2021–2023 Master Commercial Property Management and Operational Services Agreement constituted continuing connected transactions of the Company upon Listing.

On 6 December 2023 (after trading hours), the Company has entered into the 2024–2026 Master Commercial Property Management and Operational Services Agreement for the transactions contemplated thereunder (including the new annual caps) for the three years ending 31 December 2026 in order to renew the 2021–2023 Master Commercial Property Management and Operational Services Agreement.

LETTER FROM THE BOARD

The principal terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement are as follows:

- Date: 6 December 2023 (after trading hours)
- Parties:
- (i) Mr. Wong (for himself and on behalf of his associates, mainly including but not limited to the China SCE Group, as well as associates of China SCE Holdings from time to time) as receiving parties
 - (ii) the Company (for itself and on behalf of its subsidiaries from time to time) as service providers
- Term: 1 January 2024 or the date of passing the relevant shareholder resolution approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement (whichever is later) to 31 December 2026 (both days inclusive)
- Service scope: The Group will provide to Mr. Wong and his associates, mainly including but not limited to the China SCE Group, as well as associates of China SCE Holdings, commercial property management and operational services, including:
- (i) commercial operational services at the pre-opening stage, examples of which include:
 - (a) market research and positioning;
 - (b) advice on architectural design; and
 - (c) tenant sourcing and opening preparation services; and
 - (ii) commercial operation and property management services during operation stage, examples of which include:
 - (a) tenant coaching;
 - (b) basic security and cleaning;
 - (c) repair and maintenance services for tenants;
 - (d) marketing and promotion services;
 - (e) tenant management; and
 - (f) rent collection services.

LETTER FROM THE BOARD

Service fees: The service fees mainly consist of (i) the platform management fee which is charged for tenant management and rent collection services; (ii) the fixed and variable commercial property management fee which is charged for commercial property management services during operation stage; and (iii) pre-opening management services fee which is charged for commercial operational services at the pre-opening stage.

The fees to be charged by the Group for the services will be determined after arm's length negotiations with reference to, among others, (i) the size, location and neighborhood profile of the commercial properties; (ii) the scope of the services to be provided; (iii) the anticipated operational costs (including but not limited to labor costs, cost of materials and administrative costs); (iv) the rates generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties; and (v) fees for similar services and types of projects in the market, so as to ensure that the service fees are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fees charged by the Group for providing comparable services to Independent Third Parties. The Group considered at least one Independent Third Party comparable when determining the service fees to be charged for each type of services under the 2024–2026 Master Commercial Property Management and Operational Services Agreement.

The detailed terms and conditions such as the manner of payment and settlement term shall be agreed under specific agreements to be entered into between the parties.

Historical transaction amounts

The historical service fees received by the Group under the 2021–2023 Master Commercial Property Management and Operational Services Agreement for the two years ended 31 December 2022 and the nine months ended 30 September 2023 are set out below:

	For the year ended		For the nine
	31 December	31 December	months ended
	2021	2022	30 September
	<i>RMB million</i>	<i>RMB million</i>	2023
			<i>RMB million</i>
Service fees received by the Group	283.8	71.0	29.2

LETTER FROM THE BOARD

The significant decrease in the historical service fees received by the Group under the 2021–2023 Master Commercial Property Management and Operational Services Agreement for the two years ended 31 December 2022 and the nine months ended 30 September 2023 was due to the fact that China SCE Group suspended land acquisition since the second half of 2021, which resulted in the decrease in number of commercial properties to be completed for which the Group provided pre-opening management services and other services.

Existing annual caps and utilisation rates

Set out below are the (i) existing annual caps for the commercial property management service fee received by the Group from Mr. Wong and his associates pursuant to the 2021–2023 Master Commercial Property Management and Operational Services Agreement for the three years ended 31 December 2023; and (ii) the utilisation rate of the respective annual cap for the two years ended 31 December 2022 and the nine months ended 30 September 2023:

	For the year ended 31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Existing annual caps	441.5	522.2	642.1
			For the nine
			months ended
	For the year ended	31 December	30 September
	2021	2022	2023
Utilisation rate of the annual caps	64.3%	13.6%	4.5%

LETTER FROM THE BOARD

Proposed annual caps and basis of determination

The Directors expect that the aggregate amount of the service fees receivable by the Group in connection with the commercial property management and operational services under the 2024–2026 Master Commercial Property Management and Operational Services Agreement will not exceed the annual caps set forth in the table below for the three years ending 31 December 2026:

	For the year ending		
	31 December 2024	31 December 2025	31 December 2026
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Annual cap	45.6	51.8	58.9

The above annual caps were determined on the basis of:

- (i) the existing annual caps, utilisation rates and historical service fees received by the Group under the 2021–2023 Master Commercial Property Management and Operational Services Agreement;
- (ii) the estimated revenue to be recognised in relation to the commercial property management and operational services provided by the Group based on existing signed contracts (figures as set out below);
- (iii) the estimation of the GFA of the commercial properties expected to be developed by China SCE Holdings and its associates in the relevant periods as well as the historical GFA of commercial properties developed by China SCE Holdings and its associates and the related growth rate; and
- (iv) other factors considered by the Board when determining the service fees charged by the Group under the 2024–2026 Master Commercial Property Management and Operational Services Agreement as set out below:

LETTER FROM THE BOARD

Details of the number of existing signed contracts, estimate revenue of the service fees charged under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and other factors considered by the Board are set out below:

Types of fees to be charged	No. of existing signed contracts	Estimate revenue for the year ending			Other factors considered
		31 December 2024 RMB million	31 December 2025 RMB million	31 December 2026 RMB million	
Platform management fee	20	23.6	24.8	26.0	<ol style="list-style-type: none"> 1. Service fees amounted to 5% of the rental income to be received for the existing commercial properties under management 2. Expected growth rate of rental renewal of approximately 5% to 10%. Such expected growth rate was based on the historical growth trend of platform management fee received in the past 5 years
Fixed commercial property management fee	17	14.3	15.0	15.8	<ol style="list-style-type: none"> 1. The rates generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties 2. Expected growth rate of management fee renewal of approximately 5%. Such expected growth rate was based on the historical growth trend of property management fee received in the past 5 years
Pre-opening management services fee	2	4.0	Nil	Nil	<ol style="list-style-type: none"> 1. The rate generally charged by the Group under the only contract with an Independent Third Party in respect of comparable services 2. Expected delivery timeline of the relevant shopping malls
Variable commercial property management fee	2	3.4	11.8	16.8	<ol style="list-style-type: none"> 1. Expected delivery timeline of relevant shopping malls 2. Estimate income to be received for the newly developed shopping malls with GFA in aggregate of approximately 285,039 square meters 3. The pricing mechanism for similar services of two property management services providers who are Independent Third Parties

LETTER FROM THE BOARD

The Group has considered the existing annual caps, the utilisation rates and the significant decrease in historical transaction amounts in determining the proposed annual caps and accordingly reduced the proposed annual caps for the 2024–2026 Master Commercial Property Management and Operational Services Agreement as compared to that for the 2021–2023 Master Commercial Property Management and Operational Services Agreement.

Since the proposed annual caps are in line with the various factors considered by the Group when determining the service fees and the significant decrease in historical transaction amounts as explained above has been taken into account, the Board is of the view that the proposed annual caps are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fees charged by the Group for providing comparable services to Independent Third Parties.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE 2024–2026 MASTER RESIDENTIAL PROPERTY MANAGEMENT SERVICES AGREEMENT

2024–2026 Master Residential Property Management Services Agreement

Reference is made to the section headed “Connected Transactions” in the prospectus of the Company dated 21 June 2021 in relation to the 2021–2023 Master Residential Property Management Services Agreement and the related annual caps for the three years ended 31 December 2023. The 2021–2023 Master Residential Property Management Services Agreement constituted continuing connected transactions of the Company upon Listing.

On 6 December 2023 (after trading hours), the Company has entered into the 2024–2026 Master Residential Property Management Services Agreement for the transactions contemplated thereunder (including the new annual caps) for the three years ending 31 December 2026 in order to renew the 2021–2023 Master Residential Property Management Services Agreement.

The principal terms of the 2024–2026 Master Residential Property Management Services Agreement are as follows:

Date:	6 December 2023 (after trading hours)
Parties:	(i) China SCE Holdings (for itself and on behalf of its associates from time to time) as receiving parties (ii) the Company (for itself and on behalf of its subsidiaries from time to time) as service providers
Term:	1 January 2024 or the date of fulfillment of the condition precedent of the 2024–2026 Master Residential Property Management Services Agreement (whichever is later) to 31 December 2026 (both days inclusive)

LETTER FROM THE BOARD

Service scope: The Group will provide to China SCE Holdings and/or its associates residential property management services including:

- (i) property management services for unsold residential properties units;
- (ii) pre-delivery services including:
 - (a) display units and property sales office management services; and
 - (b) cleaning, gardening and security services; and
- (iii) pre-delivery inspection.

Service fees: The service fees mainly consist of (i) residential property management fee which is charged for property management services for unsold residential properties units; (ii) sales office management fee charged for property pre-delivery services; and (iii) inspection fee charged for property pre-delivery inspection.

The fees to be charged by the Group for the services will be determined after arm's length negotiations with reference to, among others, (i) the prevailing market price for the relevant services (taking into account the location, size and condition of the property, the scope of services and the anticipated operational costs including but not limited to labor costs, administrative costs and cost of materials); (ii) historical transaction amounts; and (iii) the fees generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties, so as to ensure that the service fees under the 2024–2026 Master Residential Property Management Services Agreement are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fees charged by the Group for providing comparable services to Independent Third Parties. The Group considered at least one Independent Third Party comparable when determining the service fees to be charged for each type of services under the 2024–2026 Master Residential Property Management Services Agreement.

The detailed terms and conditions such as the manner of payment and settlement term shall be agreed under specific agreements to be entered into between the parties.

Condition precedent: The 2024–2026 Master Residential Property Management Services Agreement shall take effect upon approval by the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

Historical transaction amounts

The historical service fees received by the Group under the 2021–2023 Master Residential Property Management Services Agreement for the two years ended 31 December 2022 and the nine months ended 30 September 2023 are set out below:

	For the year ended	For the year ended	For the nine
	31 December	31 December	months ended
	2021	2022	30 September
	<i>RMB million</i>	<i>RMB million</i>	2023
			<i>RMB million</i>
Service fees received by the Group	181.4	193.8	95.2

The significant decrease in the historical service fees received by the Group under the 2021–2023 Master Residential Property Management Services Agreement for the two years ended 31 December 2022 and the nine months ended 30 September 2023 was due to the fact that China SCE Group has suspended land acquisition since the second half of 2021 which affected the number of projects to be pre-sold and delivered during the two years ended 31 December 2023.

Existing annual caps and utilisation rates

Set out below are the (i) existing annual caps for the residential property management service fee received by the Group from China SCE Holdings and its associates pursuant to the 2021–2023 Master Residential Property Management Services Agreement for the three years ended 31 December 2023; and (ii) the utilisation rate of the respective annual cap for the two years ended 31 December 2022 and the nine months ended 30 September 2023:

	For the year ended 31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Existing annual caps	181.7	257.8	312.4

	For the year ended	For the year ended	For the nine
	31 December	31 December	months ended
	2021	2022	30 September
			2023
Utilisation rate of the annual caps	99.8%	75.2%	30.5%

LETTER FROM THE BOARD

Proposed annual caps and basis of determination

The Directors expect that the aggregate amount of the service fees receivable by the Group in connection with the residential property management services under the 2024–2026 Master Residential Property Management Services Agreement will not exceed the annual caps set forth in the table below for the three years ending 31 December 2026:

	For the year ending		
	31 December 2024	31 December 2025	31 December 2026
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Annual cap	133.9	137.9	132.2

The above annual caps were determined on the basis of:

- (i) the existing annual caps, utilisation rates and historical service fees received by the Group under the 2021–2023 Master Residential Property Management Services Agreement;
- (ii) the estimated revenue to be recognised in respect of the residential property management services provided by the Group based on existing signed contracts (figures as set out below);
- (iii) the estimated GFA of the residential properties expected to be developed and sold by China SCE Holdings and its associates in the relevant periods as well as the GFA of their historical sales and the related growth rate;
- (iv) the estimated aggregate area of the unsold property units for the relevant periods;
- (v) the estimated management fees to be charged per square meter; and
- (vi) other factors considered by the Board when determining the service fees charged by the Group under the 2024–2026 Master Residential Property Management Services Agreement as set out below:

LETTER FROM THE BOARD

Details of the number of existing signed contracts, estimate revenue of the service fees charged under the 2024–2026 Master Residential Property Management Services Agreement and other factors considered by the Board as set out below:

Types of fees to be charged	No. of existing signed contracts	Estimate revenue for the year ending			Other factors considered
		31 December 2024	31 December 2025	31 December 2026	
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	
Residential property management fee	94	23.1	40.6	47.4	<ol style="list-style-type: none"> 1. The estimate income to be received from unsold property units with expected aggregate area of approximately 2.4 million square meters, 3.5 million square meters and 3.8 million square meters for the years ending 31 December 2024, 2025 and 2026 respectively 2. The estimate monthly management fees of RMB0.8, RMB1.0 and RMB1.0 per square meter to be charged for the years ending 31 December 2024, 2025 and 2026 respectively 3. The rates generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties

LETTER FROM THE BOARD

Types of fees to be charged	No. of existing signed contracts	Estimate revenue for the year ending			Other factors considered
		31 December 2024 <i>RMB million</i>	31 December 2025 <i>RMB million</i>	31 December 2026 <i>RMB million</i>	
Sales office management fee	N/A	77.7	64.7	56.3	<ol style="list-style-type: none"> 1. The estimate period of operation of the sales offices for each residential property project during the relevant periods 2. The estimate number of sales offices expected to be operated for each residential property project amounting to 65, 55 and 55 for the years ending 31 December 2024, 2025 and 2026 respectively 3. The number of staff and seniority of staff required for each sales office
Inspection fee	N/A	33.1	32.6	28.5	<ol style="list-style-type: none"> 1. The estimate income to be received from the residential properties expected to be delivered by China SCE Holdings with GFA of approximately 6.6 million square meters, 6.5 million square meters and 5.7 million square meters for the years ending 31 December 2024, 2025 and 2026 respectively 2. The inspection fee of RMB5 to be charged per square meter

The Group has considered the existing annual caps, the utilisation rates and the significant decrease in historical transaction amounts in determining the proposed annual caps and accordingly reduced the proposed annual caps for the 2024–2026 Master Residential Property Management Services Agreement as compared to that for the 2021–2023 Master Residential Property Management Services Agreement.

Since the proposed annual caps are in line with the various factors considered by the Group when determining the service fees and the significant decrease in historical transaction amounts as explained above has been taken into account, the Board is of the view that the proposed annual caps are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fees charged by the Group for providing comparable services to Independent Third Parties.

LETTER FROM THE BOARD

Reasons and benefits for entering into the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement

The Group has been, in the ordinary and usual course of business, providing property management and operational services to various types of properties owned by China SCE Holdings and/or its associates before Listing in 2021. Based on the established long-term cooperation relationship, the Group has gained thorough understanding of the conditions of the property projects of China SCE Holdings and/or its associates, and is familiarised with the strategy and requirements of China SCE Holdings and/or its associates. The entering into of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement is conducive to continuous business stability of the Group and is expected to generate stable income for the Group.

2024–2026 Master Commercial Property Management and Operational Services Agreement

The Group is principally engaged in the provision of property management and commercial operational services in the PRC. Mr. Wong and his associates, including China SCE Holdings and its associates, have been engaged in the development of commercial properties. Through providing the services in the commercial properties developed by Mr. Wong and his associates under the 2024–2026 Master Commercial Property Management and Operational Services Agreement, the Group could have more opportunities to provide commercial property management and operational services and further enhance its market share and customer base.

2024–2026 Master Residential Property Management Services Agreement

The Group is principally engaged in the provision of property management services in the PRC. China SCE Holdings and its associates have been engaged in the development of residential properties. Through providing the services in the residential properties developed by China SCE Holdings and its associates under the 2024–2026 Master Residential Property Management Services Agreement, the Group could have more opportunities to provide residential property management services and further enhance its market share and customer base.

The Directors (including the independent non-executive Directors after taking into consideration the advice from the Independent Financial Adviser) are of the view that the terms and conditions of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are fair and reasonable and in the interests of the Shareholders as a whole, and the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROL

To ensure that the transactions under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement comply with the pricing terms stated therein and will not exceed the new annual caps, the Company has adopted the following internal control measures:

- (1) The company secretary of the Company is assigned to be responsible for the supervision of the continuing connected transactions. A list of connected persons and annual caps for continuing connected transactions will be regularly distributed to different departments such as the operation and finance departments.
- (2) The Company's finance department is responsible for monitoring the transaction amounts of the continuing connected transactions. When the transaction amounts have reached 80% of the relevant annual cap, the finance department will (i) send an alert to the relevant operation units and (ii) consider whether appropriate steps shall be taken in advance to revise the annual caps in order to comply with the relevant requirements under the Listing Rules.
- (3) The company secretary of the Company assists different departments to identify connected persons and the types of transactions, and leads the performance of size tests in order to determine policies regarding the connected transactions. It is also responsible for coordinating disclosure of information related to connected transactions and communication with regulatory bodies.
- (4) The connected transactions will be reported to the audit committee of the Company (which comprises all independent non-executive Directors) on an annual basis. The audit committee of the Company will review the connected transactions every year in relation to, among others, whether the transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and whether they are carried out in accordance with the relevant agreements and on terms that are fair and reasonable and in the interest of the Shareholders as a whole. The external auditor of the Company will report to the Board annually on the continuing connected transactions of the Group in relation to, among others, whether the transactions were entered into in accordance with the relevant agreements including the pricing policies and whether the transactions exceeded the annual caps pursuant to the Listing Rules.

The Directors are of the view that the internal control measures above can allow the Company to effectively monitor the transaction amounts under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement in view of the new annual caps, and to ensure that the transactions under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are on normal commercial terms and that the terms of such transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

Information about the Group

The Group is principally engaged in the provision of property management services and commercial operational services in the PRC.

Information about China SCE Holdings and the China SCE Group

China SCE Holdings is a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1966). The China SCE Group is principally engaged in property development, operation of shopping malls, offices and long-term rental apartments businesses in the PRC.

Information about Mr. Wong

Mr. Wong is the Company's ultimate Controlling Shareholder by virtue of his indirect shareholdings in China SCE Holdings, which is one of the Controlling Shareholders.

LISTING RULES IMPLICATIONS

China SCE Holdings and Mr. Wong are one of the Controlling Shareholders of the Company and therefore, connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Mr. Wong Lun and Mr. Huang Youquan are directors of both China SCE Holdings and the Company as at the date of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement. For good corporate governance, they have abstained from voting on the Board resolutions approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder. Save for the abovementioned, none of the other Directors has or is deemed to have any material interest in the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder and therefore, none of the other Directors had abstained from voting on the relevant Board resolutions approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement.

As one or more of the applicable percentage ratios in respect of the continuing connected transaction contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement exceed(s) 0.1% but all such ratios fall below 5%, and the relevant consideration exceeds HK\$3 million (based on the largest annual cap in respect of the 2024–2026 Master Commercial Property Management and Operational Services Agreement),

LETTER FROM THE BOARD

such continuing connected transaction is subject to the reporting and announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. However, since the natures of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are similar as they are both in relation to the provision of property management services, for good corporate governance, the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the transactions contemplated thereunder (including the new annual caps) shall also be subject to the approval by the Independent Shareholders at the EGM.

As one or more of the applicable percentage ratios in respect of the continuing connected transactions contemplated under the 2024–2026 Master Residential Property Management Services Agreement exceed(s) 5% and the relevant consideration exceeds HK\$10 million (based on the largest annual cap in respect of the 2024–2026 Master Residential Property Management Services Agreement), such continuing connected transactions are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps).

Euto Capital Partners Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

A notice convening the EGM to be held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 25 January 2024 at 3:00 p.m. is set out on pages EGM-1 to EGM-3 to this circular and the proxy form is also enclosed hereto.

At the EGM, ordinary resolutions will be proposed to approve the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps).

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete the enclosed proxy form and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM (i.e. no later than 3:00 p.m. on Tuesday, 23 January 2024 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM or any adjournment thereof in person should you so wish.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Happy Scene Global Limited, an indirect wholly-owned subsidiary of China SCE Holdings, held 744,490,946 Shares, representing approximately 38.47% of the entire issued share capital of the Company. Any Shareholder who has material interest in the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder shall abstain from voting on the resolution to be proposed at the EGM to approve the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, save for Happy Scene Global Limited, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder would be required to abstain from voting at the EGM.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 22 January 2024 to Thursday, 25 January 2024, both days inclusive, during which period no transfer of the Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Friday, 19 January 2024.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 24 to 25 of this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 26 to 47 of this circular in connection with the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps) and reasons considered in arriving at such advice.

The Independent Board Committee, having taken into account the advice of Independent Financial Adviser, considers that the terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps) are on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are in the ordinary and usual course of business of the Group, and the entering into of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to

LETTER FROM THE BOARD

vote in favour of resolution(s) approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder at the EGM. The Board (including the independent non-executive Directors) also recommends the Independent Shareholders to vote in favour of the approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder at the EGM.

FURTHER INFORMATION

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

WARNING

Completion of the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement is subject to the approval of Independent Shareholders. Therefore, the transactions contemplated under 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

Yours faithfully

For and on behalf of

SCE Intelligent Commercial Management Holdings Limited

Wong Lun

Chairman



SCE Intelligent Commercial Management Holdings Limited

中駿商管智慧服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 606)

8 January 2024

To the Independent Shareholders

Dear Sir or Madam,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS —
(1) 2024–2026 MASTER COMMERCIAL PROPERTY MANAGEMENT
AND OPERATIONAL SERVICES AGREEMENT;
(2) 2024–2026 MASTER RESIDENTIAL PROPERTY MANAGEMENT
SERVICES AGREEMENT**

We refer to the circular dated 8 January 2024 issued by the Company of which this letter forms part (the “**Circular**”). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been appointed by the Board as the members of the Independent Board Committee to consider and to give recommendation to the Independent Shareholders on the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps). We wish to draw your attention to the letter from the Board set out on pages 5 to 23 of the Circular and the letter from the Independent Financial Adviser set out on pages 26 to 47 of the Circular.

Having considered the factors and reasons considered by and the opinion of the Independent Financial Adviser as stated in its letter, we are of the view that the terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder (including the new annual caps) are on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned, and the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are in the ordinary and usual course of business of the Group, and the entering into of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. We, therefore recommend the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Independent Shareholders to vote in favour of the resolutions approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,
Independent Board Committee

Ding Zuyu
Independent
Non-Executive Director

Wang Yongping
Independent
Non-Executive Director

Pang Hon Chung
Independent
Non-Executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser in respect of the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the related annual caps, which has been prepared for the purpose of inclusion in this circular.



Room 1204, Jubilee Centre,
18 Fenwick Street, Wan Chai,
Hong Kong

8 January 2024

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS THE 2024–2026 MASTER COMMERCIAL PROPERTY MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT AND THE 2024–2026 MASTER RESIDENTIAL PROPERTY MANAGEMENT SERVICES AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the entering of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement (collectively referred to as the “**Renewal of Connected Transactions Services Agreements**”) and the related annual caps, details of which are set out in the letter from the Board contained in the circular dated 8 January 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, China SCE Holdings and Mr. Wong are Controlling Shareholders of the Company and therefore, connected persons of the Company pursuant to the Listing Rules. Accordingly, the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the continuing connected transaction contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement exceed(s) 0.1% but all such ratios fall below 5%, and the relevant consideration exceeds HK\$3 million (based on the largest annual cap in respect of the 2024–2026 Master Commercial Property Management and Operational Services Agreement),

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

such continuing connected transaction is subject to the reporting and announcement but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. However, since the natures of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are similar as they are both in relation to the provision of property management services, for good corporate governance, the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the transactions contemplated thereunder (including the new annual caps (the “**Commercial Property Management Services Annual Caps**”)) shall also be subject to the approval by the Independent Shareholders at the EGM.

As one or more of the applicable percentage ratios relating to the proposed annual caps in respect of the continuing connected transactions contemplated under the 2024–2026 Master Residential Property Management Services Agreement (the “**Residential Property Management Services Annual Caps**”) exceeds 5% and the relevant consideration exceeds HK\$10 million (based on the largest annual cap in respect of the 2024–2026 Master Residential Property Management Services Agreement), the transactions contemplated under 2024–2026 Master Residential Property Management Services Agreement constitute continuing connected transactions of the Company which are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to consider and advise the Independent Shareholders in relation to Renewal of Connected Transactions Services Agreements and as to whether the related annual caps are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Renewal of Connected Transactions Services Agreements and the related annual caps.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. Save for this appointment as the Independent Financial Adviser in relation to the transactions, there were no other engagements between us and the Group in the past two years. Apart from normal professional fees paid or payable to us in connection with the transactions, no other arrangement exists whereby we had received or would receive any fees or benefits from the Company or any parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider ourselves independent in accordance with Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company and the management of the Company (the “**Management**”). We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company and the Management, for which they are solely and wholly responsible, were true, accurate and complete at the time they were made and continue to be true as at the Latest Practicable Date.

Our review and analysis were based upon, among other things, (i) the 2024–2026 Master Commercial Property Management and Operational Services Agreement; (ii) the 2024–2026 Master Residential Property Management Services Agreement; (iii) the contract list setting out the information of the commercial property management services contracts entered into between the Group and Mr. Wong and his associates for the six months ended 30 June 2023; (iv) the contract list setting out the information of the residential property management services contracts entered into between the Group and China SCE Holdings and its associates for the nine months ended 30 September 2023; (v) the contract lists setting out the information of the residential and commercial contracts entered into between the Group and independent customers for the financial years 2021 to 2023; (vi) summary of the commercial property management services contracts entered into or to be entered between the Group and Mr. Wong and his associates for the three years ending 31 December 2026; (vii) summary of the residential management services contracts entered into or to be entered between the Group and China SCE Holdings and its associates for the three years ending 31 December 2026; (viii) the internal control policy for continuing connected transactions of the Group; and (ix) this Circular.

We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

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 that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. 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 no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and/or the Management.

This letter is issued to the Independent Board Committee and the Independent Shareholders, solely in connection for their consideration of the Renewal of Connected Transactions Services Agreements and the related annual caps, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Renewal of Connected Transactions Services Agreements and the related annual caps and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into consideration of the following principal factors and reasons.

Information on the Group and background information of the parties to the Renewal of Connected Transactions Services Agreements

(i) The Group

The Group is principally engaged in the provision of property management services and commercial operational services in the PRC.

(ii) China SCE Holdings and the China SCE Group

China SCE Holdings is a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1966). The China SCE Group is principally engaged in property development, operation of shopping malls, offices and long-term rental apartments businesses in the PRC.

(iii) Mr. Wong

Mr. Wong is the Company's ultimate Controlling Shareholder by virtue of his indirect shareholdings in China SCE Holdings, which is one of the Controlling Shareholders.

Reasons for and benefits for Renewal of Connected Transactions Services Agreements

The Group has been, in the ordinary and usual course of business, providing property management and operational services to various types of properties owned by China SCE Holdings and/or its associates before Listing in 2021. Based on the established long-term cooperation relationship, the Group has gained thorough understanding of the conditions of the property projects of China SCE Holdings and/or its associates, and is familiarised with the strategy and requirements of China SCE Holdings and/or its associates. The Renewal of Connected Transactions Services Agreements are conducive to continuous business stability of the Group and is expected to generate stable income for the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(i) *In relation to the 2024–2026 Master Commercial Property Management and Operational Services Agreement*

The Group is principally engaged in the provision of property management and commercial operational services in the PRC. Mr. Wong and his associates, including China SCE Holdings and its associates, have been engaged in the development of commercial properties. Through providing the services in the commercial properties developed by Mr. Wong and his associates under the 2024–2026 Master Commercial Property Management and Operational Services Agreement, the Group could have more opportunities to provide commercial property management and operational services and further enhance its market share and customer base.

(ii) *In relation to the 2024–2026 Master Residential Property Management Services Agreement*

The Group is principally engaged in the provision of property management services in the PRC. China SCE Holdings and its associates have been engaged in the development of residential properties. Through providing the services in the residential properties developed by China SCE Holdings and its associates under the 2024–2026 Master Residential Property Management Services Agreement, the Group could have more opportunities to provide residential property management services and further enhance its market share and customer base.

The Directors (excluding the independent non-executive Directors whose view has been included in the section headed “Letter from the Independent Board Committee” in this Circular) are of the view that the terms and conditions of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are fair and reasonable and in the interests of the Shareholders as a whole, and the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

A. 2024–2026 MASTER COMMERCIAL PROPERTY MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT

i) Principal terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement

The principal terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement are set out below:

- Date:** 6 December 2023 (after trading hours)
- Parties:**
- (i) Mr. Wong (for himself and on behalf of his associates, mainly including but not limited to the China SCE Group, as well as associates of China SCE Holdings from time to time) as receiving parties
 - (ii) the Company (for itself and on behalf of its subsidiaries from time to time) as service providers
- Term:** 1 January 2024 or the date of passing the relevant shareholder resolution approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement (whichever is later) to 31 December 2026 (both days inclusive)
- Service scope:** The Group will provide to Mr. Wong and his associates, mainly including but not limited to the China SCE Group, as well as associates of China SCE Holdings, commercial property management and operational services, including:
- (i) commercial operational services at the pre-opening stage examples of which include:
 - (a) market research and positioning;
 - (b) advice on architectural design; and
 - (c) tenant sourcing and opening preparation services; and
 - (ii) commercial operation and property management services during operation stage, examples of which include:
 - (a) tenant coaching;
 - (b) basic security and cleaning;
 - (c) repair and maintenance services for tenants;
 - (d) marketing and promotion services;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (e) tenant management; and
- (f) rent collection services.

Service fee: The service fees mainly consist of (i) the platform management fee which is charged for tenant management and rent collection services; (ii) the fixed and variable commercial property management fee which is charged for commercial property management services during operation stage; and (iii) pre-opening management services fee which is charged for commercial operational services at the pre-opening stage.

The fees to be charged by the Group for the services will be determined after arm's length negotiations with reference to, among others, (i) the size, location and neighborhood profile of the commercial properties; (ii) the scope of the services to be provided; (iii) the anticipated operational costs (including but not limited to labor costs, cost of materials and administrative costs); (iv) the rates generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties; and (v) fees for similar services and types of projects in the market, so as to ensure that the service fees are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fee charged by the Group for providing comparable services to Independent Third Parties. The Group considered at least one Independent Third Party comparable when determining the services fees to be charged for each type of services under the 2024–2026 Master Commercial Property Management and Operational Services Agreement.

The detailed terms and conditions such as the manner of payment and settlement term shall be agreed under specific agreements to be entered into between the parties.

ii) Assessment on the principal terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement

In order to assess the fairness and reasonableness of the terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement, we have reviewed the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the contract list setting out the information of the contracts entered into between the Group and Mr. Wong and his associates for the six months ended 30 June 2023. We have reviewed the property management service contract entered into between the Group and its independent third parties customer (the “**Independent PM Customer**”) during financial years 2021 to year 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have selected and reviewed 10 existing contracts covering commercial property management services between the Group and Mr. Wong and his associates and compared with the only contract between the Group and the Independent PM Customer for the financial years 2021 to 2023. The sample contracts were selected with services terms which fall into the following criteria: (i) property types covering commercial properties; (ii) property management transactions are with top and sizable contract sums ranging from approximately RMB480,000 to approximately RMB2,000,000 for the six months ended 30 June 2023; and (iii) the only comparable contract of the Independent PM Customer with similar property management services being provided by the Group (the “**PM Comparable Contract**”). By comparing the major terms of the contracts against the major terms of the PM Comparable Contract, we noted that the major contract terms including but not limited to (i) the respective rate of commercial property management fee especially the rate of the commercial operational services fee at the pre-opening stage and the platform management fee; (ii) the scope of work for same type of commercial property management service; and (iii) service terms for the commercial properties provided by the Group to the respective Mr. Wong and his associates and the Independent PM Customer are comparable and consistent with each other.

We have also enquired the Management and understand that the pricing policy agreed under the 2024–2026 Master Commercial Property Management and Operational Services Agreement was determined by making reference to the general pricing policy of the Group, that is, adopting the relevant market prevailing price by taking into account factors including (i) the size, location and neighborhood profile of the commercial properties; (ii) the scope of the services; (iii) the anticipated operational costs (including but not limited to labor costs, cost of materials and administrative costs); (iv) the rates generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties; and (v) fees for similar services and types of projects in the market, so as to ensure that the service fees are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fee charged by the Group for providing comparable services to Independent Third Parties. The Group considered at least one Independent Third Party comparable when determining the services fees to be charged for each type of services under the 2024–2026 Master Commercial Property Management and Operational Services Agreement.

In view of the above and given (i) there is no material deviation between the major terms (including the pricing policy) offered to Mr. Wong and his associates and to the Independent PM Customer, and (ii) the general property management fee charged to Mr. Wong and his associates are comparable and consistent to the Independent PM Customer for similar properties and services provided, we concur with the Directors that the terms of the 2024–2026 Master Commercial Property Management and Operational Services Agreement are on normal commercial terms, fair and reasonable, and it is in the interest of the Company and the Shareholders as a whole to continue to enter into the 2024–2026 Master Commercial Property Management and Operational Services Agreement with Mr. Wong and his associates so as to secure sustainable income from provision of commercial property management and operational services to Mr. Wong and his associates.

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iii) The Commercial Property Management Services Annual Caps revision

Commercial Property Management Services Annual Caps and basis of determination

The following table sets out the Commercial Property Management Services Annual Caps for the three years ending 31 December 2026 under the 2024–2026 Master Commercial Property Management and Operational Services Agreement:

	For the years ending 31 December		
2024	2025	2026	
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>	
45.6	51.8	58.9	

The Commercial Property Management Services Annual Caps were determined on the basis of

- (i) the existing annual caps, utilisation rates and historical service fee received by the Group under the 2021–2023 Master Commercial Property Management and Operational Services Agreement;
- (ii) the estimated revenue to be recognised in relation to the commercial property management and operational services provided by the Group based on existing signed contracts;
- (iii) the estimation of the GFA of the commercial properties expected to be developed by the China SCE Holdings and its associates in the relevant periods as well as the historical GFA of commercial properties developed by the China SCE Holdings and its associates and the related growth rate; and
- (iv) other factors considered by the Board when determining the service fees charged by the Group under the 2024–2026 Master Commercial Property Management and Operational Services Agreement.

Our view on the Commercial Property Management Services Annual Caps

In assessing the reasonableness and fairness of the Commercial Property Management Services Annual Caps, we discussed with the Management and noted that the Commercial Property Management Services Annual Caps are mainly determined with reference to the following basis:

- (i) historical transaction amount received by the Group from Mr. Wong and his associates under the 2021–2023 Master Commercial Property Management and Operational Services Agreement

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Set out below are the (i) existing annual caps for the commercial property management service fee received by the Group from Mr. Wong and his associates pursuant to the 2021–2023 Master Commercial Property Management and Operational Services Agreement for the three years ended 31 December 2023; (ii) the historical service fees received by the Group from Mr. Wong and his associates for the two years ended 31 December 2022 and the nine months ended 30 September 2023 under the 2021–2023 Master Commercial Property Management and Operational Services Agreement; and (iii) the utilisation rate of the respective annual cap for the two years ended 31 December 2022 and the nine months ended 30 September 2023:

	For the year ended 31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Existing annual caps	441.5	522.2	642.1
	For the year ended 31 December		For the nine months ended 30 September
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Historical services fee received by the Group from Mr. Wong and his associates	283.8	71.0	29.2
Utilisation rate of the annual caps	64.3%	13.6%	4.5%

As illustrated in the table above, we noted that the utilisation rate of the original annual caps for the two years ended 31 December 2022 amounted to approximately 64.3% and 13.6% respectively. As advised by the Management, the transaction amount with Mr. Wong and his associates for the nine months ended 30 September 2023 amounted to approximately RMB29.2 million. The utilisation rate of the original annual caps for the nine months ended 30 September 2023 is estimated to be approximately 4.5%. The decrease in utilisation rate is mainly due to the fact that China SCE Group has suspended the land acquisition since the second half of year 2021, which resulted in a decrease in the number of commercial properties to be completed for which the Group provided pre-opening management services and other services. As advised by the Management and based on the latest information available to the Company including but not limited to i) the historical services fee received by the Group from Mr. Wong and his associates due to the existing contracts; and ii) the estimation of the GFA of the commercial properties expected to be developed by China SCE Holdings and its associates in the relevant periods, it is expected that the financial performance of their commercial property

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segments will resume stable starting from year 2023 and the commercial properties will be completed according to their schedules. We were advised that there is 1 additional commercial property located in Shantou operated on 23 December 2023 and 2 additional commercial properties (located in Kunshan and Fuzhou) to be completed in the second half of year 2024. Also, we checked to the development schedule of year 2023 provided by the Company and noted that 3 additional commercial properties (located in Beijing, Tangshan and Shantou) will be operated for the year ended 31 December 2023. As at the Latest Practicable Date, all the commercial properties were completed with no exception noted. We have no reason to suspect that the completion dates of the commercial properties will be materially deviated from the development schedule for the three years ending 31 December 2026. Therefore, the transaction amount relating to the provision of property management services by the Group to Mr. Wong and his associates for the three years ending 31 December 2026 will increase gradually as all existing property management service agreements entered into with Mr. Wong and his associates will be effective as in the past and additional commercial properties will be completed in the coming years. The Management considered that the Commercial Property Management Services Annual Caps should maintain at approximately RMB45.6 million, RMB51.8 million and RMB58.9 million in order to cope with the demand of the property management services required by Mr. Wong and his associates and the future development of the Group.

- (ii) The estimate increase in amount of the connected transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement

As advised by the Management and the summary of the commercial management services contracts entered into or to be entered between the Group and Mr. Wong and his associates for the three years ending 31 December 2026, the Commercial Property Management Services Annual Caps are mainly determined with reference to i) the platform management fee for the existing commercial properties and new commercial properties to be delivered during the relevant periods which is charged for tenant management and rent collection services; and ii) the fixed commercial property management fee for the existing commercial properties and new commercial properties to be delivered during the relevant periods which is charged for commercial property management services during operation stage. According to the summary provided by the Company, it is expected that the sum of the platform management fee and the fixed commercial property management fee will be amounted to RMB37.9 million, RMB39.8 million and RMB41.8 million which represents approximately 83.1%, 76.8% and 71.0% of the Commercial Property Management Services Annual Caps respectively.

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In respect of the platform management fee, it is mainly calculated based on 5% of the rental income to be received for the existing managed commercial properties and the new managed commercial properties to be delivered during the relevant periods with approximately 10% annual growth rate for year 2024 and approximately 5% annual growth rate for the years after year 2024. As advised by the Management, the total rental fee is estimated to be approximately RMB428 million for the year ended 31 December 2023 and the total platform management fee is estimated to be approximately RMB21.4 million for the year ended 31 December 2023. It is expected that there will be no change in the total number of commercial properties with platform management services as i) 1 additional managed commercial property located in Shantou operated on 23 December 2023; and ii) cessation of the management of 1 existing commercial property located in Beijing due to the acquisition of the commercial property by the year end of 2023. Therefore, the total platform management fee will be amounted to approximately RMB23.6 million, RMB24.8 million and RMB26.0 million for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively.

In respect of the fixed commercial property management fee, it is estimated that the Company will record approximately RMB13.6 million for the year ended 31 December 2023. We were advised that i) all the existing property management contracts of the Group with Mr. Wong and his associates will operate with the existing terms remain unchanged during the term of the 2024–2026 Master Commercial Property Management and Operational Services Agreement; and ii) there will be no change in the total number of commercial properties with fixed commercial property management fee charged. It is estimated that approximately RMB14.3 million, RMB15.0 million and RMB15.8 million fixed commercial property management fee will be recorded for the three years ending 31 December 2026 respectively.

In assessing the reasonableness and fairness of the Commercial Property Management Services Annual Caps, we reviewed the calculation of the projected services fee charged to Mr. Wong and his associates for the three years ending 31 December 2026 and no material deviation was found. For the existing and new commercial properties to be completed, we cross checked with the 2022 annual report of China SCE Holdings and noted that the names of the projects and locations of the properties match with the list of the properties owned by China SCE Group. Also, we reviewed the commercial property management contacts signed between the Group and the Independent PM customer and noted that the platform management fee is comparable to those offered to Mr. Wong and his associates. Moreover, we reviewed the extract regarding the property management fee per square meter of different cities in China issued by China Index Academy and noted that the proposed fixed commercial property management fee per square meter offered to Mr. Wong and his associates is comparable to the property management fee per square meter located in the similar geographical area. Therefore, it is considered that the Commercial Property Management Services Annual Caps is fair and reasonable assuming that the new commercial property will be delivered according to the Company's plan.

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Having considered that (i) the provision of property management services by the Group to Mr. Wong and his associates fall within the ordinary business of the Group; (ii) the provision of the property management services by the Group to Mr. Wong and his associates is conducted on normal commercial terms pursuant to the 2024–2026 Master Commercial Property Management and Operational Services Agreement; and (iii) the fixed commercial property management fee offered to Mr. Wong and his associates are comparable to those of the Independent PM Customer, we consider that the Commercial Property Management Services Annual Caps is fair and reasonable assuming Mr. Wong and his associates and the Group can execute their respective business plans.

B. 2024–2026 MASTER RESIDENTIAL PROPERTY MANAGEMENT SERVICES AGREEMENT

i) Principal terms of the 2024–2026 Master Residential Property Management Services Agreement

The principal terms of the 2024–2026 Master Residential Property Management Services Agreement are set out below:

- Date:** 6 December 2023 (after trading hours)
- Parties:**
- (i) China SCE Holdings (for itself and on behalf of its associates from time to time) as receiving parties
 - (ii) the Company (for itself and on behalf of its subsidiaries from time to time) as service providers
- Term:** 1 January 2024 or the date of fulfillment of the condition precedent of the 2024–2026 Master Residential Property Management Services Agreement (whichever is later) to 31 December 2026 (both days inclusive)
- Service scope:** The Group will provide to China SCE Holdings and/or its associates residential property management services including:
- (i) property management services for unsold residential properties units;
 - (ii) pre-delivery services including:
 - (a) display units and property sales office management services; and
 - (b) cleaning, gardening and security services; and
 - (iii) pre-delivery inspection

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Service fee: The service fees mainly consist of (i) residential property management fee which is charged for property management services for unsold residential properties units; (ii) sales office management fee charged for property pre-delivery services; and (iii) inspection fee charged for property pre-delivery inspection.

The fees to be charged by the Group for the services will be determined after arm's length negotiations with reference to, among others, (i) the prevailing market price for the relevant services (taking into account the location, size and condition of the property, the scope of services and the anticipated operational costs including but not limited to labor costs, administrative costs and cost of materials); (ii) historical transaction amounts; and (iii) the fee generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties, so as to ensure that the service fees under the 2024–2026 Master Residential Property Management Services Agreement are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fees charged by the Group for providing comparable services to Independent Third Parties. The Group considered at least one Independent Third Party comparable when determining the services fees to be charged for each type of services under the 2024–2026 Master Residential Property Management Services Agreement.

The detailed terms and conditions such as the manner of payment and settlement term shall be agreed under specific agreements to be entered into between the parties.

Condition precedent: The 2024–2026 Master Residential Property Management Services Agreement shall take effect upon approval by the Independent Shareholders at the EGM.

ii) **Assessment on the principal terms of the 2024–2026 Master Residential Property Management Services Agreement**

In order to assess the fairness and reasonableness of the terms of the 2024–2026 Master Residential Property Management Services Agreement, we have reviewed the 2024–2026 Master Residential Property Management Services Agreement and the contract list setting out the information of the contracts entered into between the Group and China SCE Holdings and its associates for the nine months ended 30 September 2023. We reviewed the property management service contracts entered into between the Group and its independent third parties customers (the “**Independent RM Customers**”) during financial year 2021 to year 2023.

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We have selected and reviewed 10 existing contracts covering residential property management services between the Group and China SCE Holdings and its associates and compare with 10 contracts between the Group and the Independent RM Customers for the financial years 2021 to 2023. The sample contracts were selected with services terms which fall into the following criteria: (i) property types covering residential properties; (ii) property management transactions are with top and sizable contract sums ranging from approximately RMB850,000 to approximately RMB2,700,000 for the nine months ended 30 September 2023; (iii) comparable contracts of the Independent RM Customers with contract sums ranging from approximately RMB400,000 to approximately RMB6,600,000 for the nine months ended 30 September 2023 with similar property management services being provided by the Group (the “**RM Comparable Contracts**”). By comparing the major terms of the contracts against the major terms of the RM Comparable Contracts, we noted that the major contract terms including but not limited to (i) the respective rate of the residential property management fee for similar types of property management services and similar gradings of the residential properties; and (ii) the scope of work for same type of residential property management service for the residential properties provided by the Group to the respective China SCE Holdings and its associates and the Independent RM Customers located in the similar geographical area are comparable and consistent with each other.

We have also enquired the Management and understand that the pricing policy agreed under the 2024–2026 Master Residential Property Management Services Agreement was determined by making reference to, among others, (i) the prevailing market price for the relevant services (taking into account the location, size and condition of the property, the scope of services and the anticipated operational costs including but not limited to labor costs, administrative costs and cost of materials); (ii) historical transaction amounts; and (iii) the fee generally charged by the Group under all existing contracts with Independent Third Parties in respect of comparable services in the same properties, so as to ensure that the service fees under the 2024–2026 Master Residential Property Management Services Agreement are fair and reasonable, on normal commercial terms and not less favourable to the Group than the service fees charged by the Group for providing comparable services to Independent Third Parties. The Group considered at least one Independent Third Party comparable when determining the services fees to be charged for each type of services under the 2024–2026 Master Residential Property Management Services Agreement.

In view of the above and given (i) there is no material deviation between the major terms (including the pricing policy) offered to China SCE Holdings and its associates and to the Independent RM Customers, and (ii) the general property management fee charged to China SCE Holdings and its associates are comparable and consistent to the Independent RM Customers for similar properties and services provided, we concur with the Directors that the terms of the 2024–2026 Master Residential Property Management Services Agreement are on normal commercial terms, fair and reasonable, and it is in the interest of the Company and the Shareholders as a whole to continue to enter into the 2024–2026 Master Residential Property Management Services Agreement with China SCE Holdings and its associates so as to secure sustainable income from provision of property management services to China SCE Holdings and its associates.

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iii) The Residential Property Management Services Annual Caps revision

Residential Property Management Services Annual Caps and basis of determination

The following table sets out the Residential Property Management Services Annual Caps for the three years ending 31 December 2026 under the 2024–2026 Master Residential Property Management Services Agreement:

For the year ending 31 December		
2024	2025	2026
<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
133.9	137.9	132.2

The Residential Property Management Services Annual Caps were determined on the basis of

- (i) the existing annual caps, utilisation rates and historical service fee received by the Group under the 2021–2023 Master Residential Property Management Services Agreement;
- (ii) the estimated revenue to be recognised in respect of the residential property management services provided by the Group based on existing signed contracts;
- (iii) the estimated GFA of the residential properties expected to be developed and sold by China SCE Holdings and its associates in the relevant periods, as well as the GFA of their historical sales and the related growth rate;
- (iv) the estimated aggregate area of the unsold property units for the relevant periods;
- (v) the estimated management fees to be charged per square meter; and
- (vi) other factors considered by the Board when determining the service fees charged by the Group under the 2024–2026 Master Residential Property Management Services Agreement.

Our view on the Residential Property Management Services Annual Caps

In assessing the reasonableness and fairness of the Residential Property Management Services Annual Caps, we have discussed with the Management and noted that the Residential Property Management Services Annual Caps are mainly determined with reference to the following basis:

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iv) historical transaction amount received by the Group from China SCE Holdings and its associates under the 2021–2023 Master Residential Property Management Services Agreement

Set out below are the (i) existing annual caps for the residential property management service fee received by the Group from China SCE Holdings and its associates pursuant to the 2021–2023 Master Residential Property Management Services Agreement for the three years ended 31 December 2023; (ii) the historical service fees received by the Group from China SCE Holdings and its associates for the two years ended 31 December 2022 and the nine months ended 30 September 2023 under the 2021–2023 Master Residential Property Management Services Agreement; and (iii) the utilisation rate of the respective annual cap for the two years ended 31 December 2022 and the nine months ended 30 September 2023:

	For the year ended 31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Existing annual caps	181.7	257.8	312.4
	For the year ended		For the nine
	31 December		months ended
	2021	2022	30 September
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Historical services fee received by the Group from China SCE Holdings and its associates	181.4	193.8	95.2
Utilisation rate of the annual caps	99.8%	75.2%	30.5%

As illustrated in the table above, we noted that the utilisation rate of the existing annual caps for the two years ended 31 December 2022 amounted to approximately 99.8% and 75.2% respectively. Also, we were advised that the transaction amount with China SCE Holdings and its associates for the nine months ended 30 September 2023 amounted to approximately RMB95.2 million. The utilisation rate of the original annual caps for the nine months ended 30 September 2023 is estimated to be approximately 30.5%. The decrease in utilisation rate is mainly due to the fact that China SCE Group has suspended the land acquisition since the second half of year 2021 which affected the number of projects to be pre-sold and delivered during the two years ended 31 December 2023. As advised by the Management and based on the latest information available to the Company including but not limited to i) the historical services fee received by the Group from China SCE Holdings and its associates due to the existing contracts; and ii) the estimated GFA of the residential properties expected to be developed and sold by China SCE Holdings and its associates in the relevant periods and estimated aggregate area of the unsold property units for the relevant periods, the Directors expect that the transaction amount relating to the provision of property management services by the Group to China

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SCE Holdings and its associates for the three years ending 31 December 2026 will be remained stable as sufficient residential properties will be completed, delivered and pre-sold to the customers in the coming years. We were advised that there will be 54, 59 and 29 additional residential properties to be completed in year 2024, 2025 and 2026 respectively. Also, we checked to the development schedule of year 2023 provided by the Company and noted that 22 additional residential properties will be completed for the year ended 31 December 2023. As at the Latest Practicable Date, all the residential properties were completed with no exception noted. We have no reason to suspect that the completion dates of the residential properties will be materially deviated from the development schedule for the three years ending 31 December 2026. Therefore, the Management considered that the Residential Property Management Services Annual Caps should maintain at approximately RMB133.9 million, RMB137.9 million and RMB132.2 million in order to cope with the demand of the property management services required by China SCE Holdings and its associates and the future development of the Group.

v) The estimated amount of the connected transactions contemplated under the 2024–2026 Master Residential Property Management Services Agreement

As advised by the Management and the summary of the residential management services contracts entered into or to be entered between the Group and China SCE Holdings and its associates for the three years ending 31 December 2026, the Residential Property Management Services Annual Caps are mainly determined with reference to i) the sales office management fee; and ii) the inspection fee for the aggregate area of property units to be delivered during the relevant periods. According to the summary provided by the Company, it is expected that the sum of the sales office management fee and the inspection fee will be amounted to RMB110.8 million, RMB97.3 million and RMB84.8 million which represents approximately 82.7%, 70.6% and 64.1% of the Residential Property Management Services Annual Caps respectively.

In respect of the monthly sales office management fee, it ranges from approximately RMB50,000 to approximately RMB200,000 per sales office which varies with the number of staffs to be assigned, services to be provided and the geographic location of the sales offices. As advised by the Management, it is expected that the demand of residential properties will remain stable in the coming years and the Company plans to operate 65, 55 and 55 sales offices for 6 to 12 months in order to facilitate the pre-sales of the residential properties for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively. Therefore, approximately RMB77.7 million, RMB64.7 million and RMB56.3 million sales office management fee will be incurred for China SCE Holdings and its associates for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively.

In respect of the inspection fee, it is directly proportional to the aggregate area of property units to be delivered during the relevant periods. As advised by the Management, it is expected that approximately 6.6 million square meter, 6.5 million square meter and 5.7 million square meter aggregate area of property units will be delivered for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively. Assuming inspection fee of approximately RMB5 per square meter will be charged by the

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Group to China SCE Holdings and its associates, the estimated inspection fees to be received by the Group will be amounted to approximately RMB33.1 million, RMB32.6 million and RMB28.5 million for the years ending 31 December 2024, 31 December 2025 and 31 December 2026 respectively.

We reviewed the calculation of the projected service fee received by the Group from China SCE Holdings and its associates for the three years ending 31 December 2026 and no material deviation was found. For the existing residential properties, the new residential properties to be completed and the sales offices to be operated, we cross checked with the 2022 annual report of China SCE Holdings and noted that the names of the projects and locations of the properties match with the list of the properties owned by China SCE Group. Moreover, we noted that the monthly sales office management fee is mainly comprised of the labor cost and is directly proportional to the number of staffs to be assigned. It ranges from approximately RMB50,000 (with 6 staffs assigned) to approximately RMB200,000 (with 23 staffs assigned) per sales office. We compared the rates charged to China SCE Holdings and its associate with the previous signed sales office service agreements and noted that the sales office management fee charged per sales office is comparable to the proposed sales office management fee per sales office with comparable number of staffs allocated. Also, it is considered that the sales office management fee is justifiable as the labor cost and administrative expense of operating the sales offices are expected to contribute majority of the proposed sales office management fee. We have no reason to suspect that the sales office management fee received by the Group from China SCE Group and its associates will be materially deviated from the projection assuming China SCE Holdings and its associates and the Group can execute their respective business plans.

For the inspection fee, we were advised that the Directors have adopted a prudent approach and adjusted the inspection fee to approximately RMB5 per square meter since October 2023 in view of the recent economic situation comparing with inspection fee of approximately RMB10 per square meter was charged to China SCE Holdings and its associates in the past. We randomly selected and reviewed 10 previous signed service agreements of similar nature during financial years 2021 to year 2023 and noted that the proposed inspection fee per square meter was amounted to RMB10 with no exception noted. As per the Management, they adjusted the inspection fee by making references to the inspection fee charged by three different property developers and property management services provider listed on the Hong Kong Stock Exchange ranging from RMB5 per square meter to RMB14 per square meter. It is considered that the proposed inspection fee is within the industry range. Also, we were advised that the China SCE Holdings and its associates will be able to deliver the residential property units according to their plan and the inspection fee will be incurred in view of the long business relationship between China SCE Holdings and its associates and the Group.

Have considered the above, we are of the view that the Residential Property Management Services Annual Caps is fair and reasonable.

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INTERNAL CONTROL MEASURES

In order to ensure that the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are conducted in accordance with the framework agreement and in strict compliance with the relevant pricing policies, the Group will undertake the following internal control measures to monitor the pricing and terms of the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement, and ensure that the prices and terms offered to Mr. Wong and his associates and China SCE Holdings and its associates will be no more favourable than prices and terms offered to the independent customers and the Commercial Property Management Services Annual Caps and the Residential Property Management Services Annual Caps are not exceeded:

- (1) The company secretary of the Company is assigned to be responsible for the supervision of the continuing connected transactions. A list of connected persons and annual caps for continuing connected transactions will be regularly distributed to different departments such as operation and finance departments.
- (2) The Company's finance department is responsible for monitoring the transaction amounts of the continuing connected transactions. When the transaction amounts have reached 80% of the relevant annual cap, the finance department will (i) send an alert to the relevant operation units and (ii) consider whether appropriate steps shall be taken in advance to revise the annual caps in order to comply with the relevant requirements under the Listing Rules.
- (3) The company secretary of the Company assists different departments to identify connected persons and the types of transactions, and leads the performance of size tests in order to determine policies regarding the connected transactions. It is also responsible for coordinating disclosure of information related to connected transactions and communication with regulatory bodies.
- (4) The connected transactions will be reported to the audit committee of the Company (which comprises all independent non-executive Directors) on an annual basis. The audit committee of the Company will review the connected transactions every year in relation to, among others, whether the transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better and whether they are carried out in accordance with the relevant agreements and on terms that are fair and reasonable and in the interest of the Shareholders as a whole. The external auditor of the Company will report to the Board annually on the continuing connected transactions of the Group in relation to, among others, whether the transactions were entered into in accordance with the relevant agreements including the pricing policies and whether the transactions exceeded the annual caps pursuant to the Listing Rules.

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When the Commercial Property Management Services Annual Caps or the Residential Property Management Services Annual Caps in preceding paragraphs are exceeded, the agreement is renewed, or material changes take place, the Company will be required to re-comply with the reporting, announcement, and Independent Shareholders' approval requirements under Rules 14A.35 to 14A.47 of the Listing Rules.

The Directors are of the view that the internal control measures above can allow the Company to effectively monitor the transaction amounts under the Renewal of Connected Transactions Services Agreements in view of the new annual caps, and to ensure that the transactions under the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement are on normal commercial terms and that the terms of such transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We have further reviewed the internal control manual regarding the continuing connected transactions and as advised by the Management, we noted that (i) the company secretary of the Company is assigned to be responsible for the supervision of the continuing connected transactions. A list of connected persons and annual caps for continuing connected transactions will be regularly distributed to different departments such as operation and finance departments; (ii) the department head of the finance department will monitor the connected transactions contemplated under the 2024–2026 CCT Agreements including but not limited to the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement; (iii) the company secretary of the Company assists different departments to identify connected persons and the types of transactions, and leads the performance of size tests in order to determine policies regarding the connected transactions. It is also responsible for coordinating disclosure of information related to connected transactions and communication with regulatory bodies; (iv) the audit committee (which comprises all independent non-executive Directors) will review the connected transactions annually and confirm that the relevant transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and (v) external auditor of the Company will report to the Board annually on the continuing connected transactions of the Group in relation to, among others, whether the transactions were entered into in accordance with the relevant agreements including the pricing policies and whether the transactions exceeded the annual caps pursuant to the Listing Rules.

In view of the above, we consider that the terms of reference, if implemented effectively by the Company, are sufficient to safeguard Shareholders' interest in the provision of the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement. We reviewed 10 sets of supporting documents prepared by the Company including but not limited to the list of connected persons and annual caps for continuing connected transactions, the monthly reports recording the transaction amounts of the continuing connected transactions and noted that the company secretary of the Company reviewed the connected transaction agreements of the Company. Accordingly, we are of the view that the internal control procedures are in place and in compliance with the internal measures as mentioned above.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATIONS

Having considered the above principal factors and reasons, we are of the view that the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the related annual caps are (i) in the ordinary and usual course of the business of the Group; (ii) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend Independent Shareholders to vote in favour of the relevant resolution for approving the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and the related annual caps at the EGM.

Yours faithfully
For and on behalf of
Euto Capital Partners Limited
Jason Wong
Director

Mr. Jason Wong is currently a responsible officer of Euto Capital Partners Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Wong has over 9 years of experience in the corporate finance industry, and has participated in the provision of financial advisory and independent financial advisory services for various connected transactions involving companies listed in Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Interests and/or short positions of the Directors and chief executives

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

The Company

Name of Director	Nature of interests	Number of Shares/ underlying Shares held or interested in (Note 1)	Approximate percentage of shareholding of the Company as at the Latest Practicable Date (Note 2)
Mr. Niu Wei	Interest in a controlled corporation (Note 3)	75,452,716 (L)	3.90%
Mr. Sun Qiang	Interest in a controlled corporation (Note 4)	20,120,724 (L)	1.04%

Name of Director	Nature of interests	Number of Shares/ underlying Shares held or interested in (Note 1)	Approximate percentage of shareholding of the Company as at the Latest Practicable Date (Note 2)
Ms. Ku Weihong	Interest in a controlled corporation (Note 5)	50,301,811 (L)	2.60%

Notes:

- The letter “L” denotes the Directors’ long position in the Shares, underlying Shares and debentures of the Company.
- Calculated on the basis of a total of 1,935,000,000 Shares as at the Latest Practicable Date.
- These 75,452,716 Shares were registered in the name of Graceful Solar Limited (“**Graceful Solar**”). Mr. Niu Wei held 100% of the issued share capital of Graceful Solar and was deemed to be interested in the 75,452,716 Shares held by Graceful Solar under the SFO.
- These 20,120,724 Shares were registered in the name of Surplus Star International Limited (“**Surplus Star**”). Mr. Sun Qiang held 100% of the issued share capital of Surplus Star and was deemed to be interested in the 20,120,724 Shares held by Surplus Star under the SFO.
- These 50,301,811 Shares were registered in the name of Golden Skill Investments Limited (“**Golden Skill**”). Ms. Ku Weihong held 80% of the issued share capital of Golden Skill and was deemed to be interested in the 50,301,811 Shares held by Golden Skill under the SFO.

Associated corporations of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of shares/underlying shares held or interested in (Note 1)	Approximate percentage of shareholding as at the Latest Practicable Date (Note 2)
Mr. Zheng Quanlou	China SCE Holdings	Beneficial owner (Note 3)	30,000,000 (L)	0.71%
Ms. Ku Weihong	China SCE Holdings	Beneficial owner (Note 3)	30,000,000 (L)	0.71%
Mr. Huang Youquan	China SCE Holdings	Beneficial owner (Note 3)	16,000,000 (L)	0.38%

Notes:

1. The letter “L” denotes the Directors’ long position in the Shares, underlying Shares and debentures of the Company.
2. Calculated on the basis of a total of 4,222,986,126 issued shares of China SCE Holdings as at the Latest Practicable Date.
3. Such interests are in the form of share options of China SCE Holdings which had not yet been exercised as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, no other Director or chief executive of the Company had or was deemed to have any interest or short position in any shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Mr. Wong Lun and Mr. Huang Youquan are executive directors of China SCE Holdings. Save as disclosed above, so far as the Directors were aware, none of the Directors was a director or employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

3. COMPETING INTEREST

So far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which compete, or is likely to compete, either directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

4. INTERESTS IN CONTRACT OR ARRANGEMENT AND ASSETS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up), (i) been acquired or disposed of by; or (ii) leased to; or (iii) were proposed to be acquired or disposed of by; or (iv) were proposed to be leased to any member of the Group; and
- (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. LITIGATION

As at the Latest Practicable Date, no litigation or claim which may be of material importance is known to the Directors to be pending or threatened against any member of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered, or is proposing to enter, into any service contract with the Group which is not expiring or may not be terminated by the Company within a year without payment of any compensation (other than statutory compensation).

8. EXPERT AND CONSENT

The name and qualification of the professional adviser who has been named in this circular or given its opinion or advice which is contained in this circular are set forth below:

Name	Qualification
Euto Capital Partners Limited	Independent Financial Adviser

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which they appear.

As at the Latest Practicable Date:

- (a) the expert above did not have any direct or indirect interests in any assets which have been, since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up), acquired, disposed of or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group; and
- (b) the expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.sce-icm.com>) a period of 14 days from the date of this circular (both days inclusive):

- (a) the 2024–2026 Master Commercial Property Management and Operational Services Agreement;
- (b) the 2024–2026 Master Residential Property Management Services Agreement; and
- (c) the written consent from the Independent Financial Adviser referred to in the paragraph headed “8. Expert and consent” in this Appendix.



SCE Intelligent Commercial Management Holdings Limited

中駿商管智慧服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 606)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of the shareholders of SCE Intelligent Commercial Management Holdings Limited (the “Company”) will be held at R2, United Conference Centre, 10/F, United Centre, 95 Queensway, Admiralty, Hong Kong on Thursday, 25 January 2024 at 3:00 p.m. for the purposes of considering and, if thought fit, approving the matters set out below:

ORDINARY RESOLUTIONS

1. **“THAT**

- (a) the master commercial property management and operational services agreement dated 6 December 2023 entered into between the Company and Mr. Wong Chiu Yeung (黃朝陽) (the “**2024–2026 Master Commercial Property Management and Operational Services Agreement**”), a copy of which is marked “A” and initialled by the chairman of the meeting for the purpose of identification, and the terms and the transactions contemplated thereunder, and the relevant proposed annual caps for the transactions contemplated under the 2024–2026 Master Commercial Property Management and Operational Services Agreement for the three years ending 31 December 2026 as stated in the circular of the Company dated 8 January 2024 be and are hereby confirmed and approved;
- (b) the master residential property management services agreement dated 6 December 2023 entered into between the Company and China SCE Group Holdings Limited (the “**2024–2026 Master Residential Property Management Services Agreement**”), a copy of which is marked “B” and initialled by the chairman of the meeting for the purpose of identification, and the terms and the transactions contemplated thereunder, and the relevant proposed annual caps for the transactions contemplated under the 2024–2026 Master Residential Property Management Services Agreement for the three years ending 31 December 2026 as stated in the circular of the Company dated 8 January 2024 be and are hereby confirmed and approved; and

NOTICE OF EGM

- (c) any one director of the Company (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is hereby authorised to sign and execute such other documents and supplemental agreements and deeds (including the affixation of the common seal of the Company where execution under seal is required) for and on behalf of the Company and to do all such things and take all such actions as he/she may consider necessary, desirable or expedient for the purpose of carrying out or giving effect to or otherwise in connection with the 2024–2026 Master Commercial Property Management and Operational Services Agreement and the 2024–2026 Master Residential Property Management Services Agreement and/or the transactions contemplated thereunder.”

By order of the board of
SCE Intelligent Commercial Management Holdings Limited
Wong Lun
Chairman

Hong Kong, 8 January 2024

Principal place of business in Hong Kong:

Room 2801, Hysan Place
500 Hennessy Road
Causeway Bay
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting (the “**Meeting**”) above is entitled to appoint in written form one or, if he is the holder of two or more shares (“**Shares**”) of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such a Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such a share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Meeting (i.e. by 3:00 p.m. on Tuesday, 23 January 2024 (Hong Kong time)) or any adjournment thereof.
4. For the purpose of ascertaining Shareholders’ entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 22 January 2024 to Thursday, 25 January 2024, both days inclusive, during which period no transfer of the Shares will be effected. In order to qualify for attending the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 19 January 2024.

NOTICE OF EGM

5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. If a typhoon signal number 8 or above is hoisted or a “black” rainstorm warning signal is in force at or at any time after 1:00 pm on the date of the above meeting, the above meeting will be adjourned. An announcement will be posted on the websites of the Company and the Stock Exchange of Hong Kong Limited to notify the members of the date, time and place of the adjourned meeting. The above meeting will be held as scheduled when an amber or a red rainstorm warning signal is in force. Members should decide on their own whether they would attend the above meeting under bad weather conditions bearing in mind their own situations.
7. As required under the Listing Rules, the above resolution will be decided by way of poll, except where the chairperson, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by show of hands.
8. References to time and dates in this notice are to Hong Kong time and dates.
9. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this notice, the board of directors of the Company comprises Mr. Wong Lun, Mr. Niu Wei, Mr. Sun Qiang, Mr. Zheng Quanlou and Ms. Ku Weihong as executive directors, Mr. Huang Youquan as non-executive director, Mr. Ding Zuyu, Mr. Wang Yongping and Mr. Pang Hon Chung as independent non-executive directors.