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If you have sold or transferred all your shares in New Hope Service Holdings Limited, you should at once hand this circular, together with the accompanying proxy forms, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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New Hope Service Holdings Limited

新希望服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3658)

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF CONTINUING CONNECTED TRANSACTION
AGREEMENTS
DUE TO EXPIRE ON 31 DECEMBER 2023
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders**

MESSIS 大有融資

A notice convening the extraordinary general meeting (the “EGM”) of New Hope Service Holdings Limited (the “Company”) to be held at 16/F, Building 2, New Hope Zhongding International, No. 366 Jinshi Road, Jinjiang District, Chengdu, Sichuan, China on Tuesday, 19 March 2024 at 2:00 p.m. is set out on pages 45 to 47 of this circular. A letter from the Independent Board Committee is set out on pages 22 to 23 of this circular. A letter from the Independent Financial Adviser and its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 41 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.newhopeservice.com.cn). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon 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 less than 48 hours before the time appointed for the holding of the EGM (before 2:00 p.m. on Sunday, 17 March 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the EGM or any adjournment thereof if they so wish and in such event, the proxy shall be deemed to be revoked.

29 February 2024

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DEFINITIONS

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

“2024 Centralized Supply Chain Service Framework Agreement”	the centralized supply chain service framework agreement dated 15 December 2023 entered into between New Hope Service and New Hope Holdings
“2024 Master Commercial Operational and Related Services Agreement”	the master commercial operational and related services agreement dated 15 December 2023 entered into between New Hope Service and New Hope Wuxin
“2024 Master Property Management and Related Services Agreement”	the master property management and related services agreement dated 15 December 2023 entered into between New Hope Service and New Hope Holdings
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CCT Agreements”	2024 Centralized Supply Chain Service Framework Agreement, 2024 Master Commercial Operational and Related Services Agreement and 2024 Master Property Management and Related Services Agreement
“Centralized Supply Chain Service Framework Agreement”	the centralized supply chain service framework agreement dated 24 May 2022 entered into between New Hope Service and New Hope Holding
“Company”	New Hope Service Holdings Limited (新希望服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at 16/F, Building 2, New Hope Zhongding International, No. 366 Jinshi Road, Jinjiang District, Chengdu, Sichuan, China on Tuesday 19 March 2024 at 2:00 p.m. or any adjournment thereof, to consider and approve the 2024 Centralized Supply Chain Service Framework Agreement, 2024 Master Commercial Operational and Related Services Agreement and 2024 Master Property Management and Related Services Agreement
“GFA”	gross floor area
“Golden Rose”	Golden Rose Developments Limited, a company incorporated in the British Virgin Islands with limited liability, one of the controlling shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all independent non-executive Directors, established to advise the Independent Shareholders in respect of the continuing connected transactions under the 2024 Centralized Supply Chain Service Framework Agreement, 2024 Master Commercial Operational and Related Services Agreement and 2024 Master Property Management and Related Services Agreement
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions under the 2024 Master Property Management and Related Services Agreement, the 2024 Master Commercial Operational and Related Services Agreement and the 2024 Centralized Supply Chain Service Framework Agreement
“Independent Shareholders”	Shareholders who do not have a material interest in the 2024 Master Property Management and Related Services Agreement, the 2024 Master Commercial Operational and Related Services Agreement and the 2024 Centralized Supply Chain Service Framework Agreement

DEFINITIONS

“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Group and its connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Latest Practicable Date”	23 February 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing”	the listing of the Shares on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Master Commercial Operational and Related Services Agreement”	the master commercial operational and related services agreement dated 6 May 2021 entered into between New Hope Service and New Hope Wuxin
“Master Property Management and Related Services Agreement”	the master property management and related services agreement dated 6 May 2021 entered into between New Hope Service and New Hope Holdings
“Master Sales Agreement”	the master sales agreement dated 6 May 2021 entered into between New Hope Service and New Hope Holdings as supplemented and amended on 13 December 2021 and 18 November 2022 respectively
“Mr. Liu”	Mr. Liu Yonghao (劉永好), one of the controlling shareholders of the Company
“Ms. Liu”	Ms. Liu Chang (劉暢), one of controlling shareholders of the Company
“New Hope Holdings”	New Hope Holdings Group Co., Ltd.* (新希望控股集團有限公司), formerly known as New Hope Holdings Co., Ltd.* (新希望控股有限公司)
“New Hope Holdings Group”	New Hope Holdings and its subsidiaries and/or associates
“New Hope Service”	New Hope Property Service Group Co., Ltd.* (新希望物業服務集團有限公司)
“New Hope Service Group”	New Hope Service and its subsidiaries

DEFINITIONS

“New Hope Wuxin”	New Hope Wuxin Industrial Group Co., Ltd.* (新希望五新實業集團有限公司), formerly known as Sichuan New Hope Property Development Co., Ltd.* (四川新希望房地產開發有限公司), a company indirectly controlled by Mr. Liu
“New Hope Wuxin Group”	New Hope Wuxin and its subsidiaries
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	the prospectus of the Company dated 11 May 2021
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *For identification purpose only*



New Hope Service Holdings Limited

新希望服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3658)

Executive Directors:

Ms. Wu Min (*Co-chairman*)

Ms. Chen Jing

Non-executive Directors:

Mr. Jiang Mengjun (*Chairman*)

Mr. Dong Li

Mr. Liu Xu

Ms. Zhang Wei

Independent Non-executive Directors:

Mr. Cao Qilin

Mr. Li Zhengguo

Mr. Kong Chi Mo

Registered office:

71 Fort Street, PO Box 500

George Town, Grand Cayman, KY1-1106

Cayman Islands

*Principal place of business and
headquarters in the PRC:*

16/F, Building 2

New Hope Zhongding International

No. 366 Jinshi Road

Jinjiang District

Chengdu, Sichuan

China

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

248 Queen's Road East

Wanchai, Hong Kong

29 February 2024

To the Shareholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF CONTINUING CONNECTED TRANSACTION
AGREEMENTS
DUE TO EXPIRE ON 31 DECEMBER 2023
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

Reference is made to the announcement of the Company dated 15 December 2023 in relation to, among others, the CCT Agreements and the transactions contemplated thereunder. The purpose of this circular is to provide you with, among others, (i) further information in relation to the CCT Agreements and the respective annual caps contemplated thereunder; (ii) a letter of recommendation for the Independent Board Committee in relation to CCT Agreements and the transactions contemplated thereunder; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM.

THE CCT AGREEMENTS

2024 Master Commercial Operational and Related Services Agreement

Background

Reference is made to the Prospectus in relation to, among others, the continuing connected transactions under the Master Commercial Operational and Related Services Agreement entered into between New Hope Service and New Hope Wuxin and the annual caps thereunder. As the Master Commercial Operational and Related Services Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, New Hope Service entered into the 2024 Master Commercial Operational and Related Services Agreement with New Hope Wuxin on 15 December 2023.

Principal terms

Date:	15 December 2023
Parties:	New Hope Service New Hope Wuxin
Term:	The term of the 2024 Master Commercial Operational and Related Services Agreement commences from 1 January 2024 (subject to obtaining the Independent Shareholders' approval at the EGM) to 31 December 2026 (both days inclusive).

LETTER FROM THE BOARD

Subject matter: The Group agreed to provide to the New Hope Wuxin Group and its associates with commercial operational services, including but not limited to preliminary planning and consultancy, tenant sourcing and management and marketing and promotion services and other related services, for commercial properties developed/owned/rent by the New Hope Wuxin Group and its associates which include office buildings, shopping malls, commercial complexes and operational spaces in or near residential communities (the “**Commercial Operational and Related Services**”).

Pricing and other terms: The fees to be charged for the Commercial Operational and Related Services will be determined after arm’s length negotiations with reference to (i) the size, location and positioning of the properties; (ii) the scope of services; (iii) the anticipated operation costs (including but not limited to labor costs, administration costs and costs of materials), and (iv) the rates generally offered by the Group to Independent Third Parties and the fees for similar services and types of properties in the market.

Members of the New Hope Service Group and members of the New Hope Wuxin Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Master Commercial Operational and Related Services Agreement.

Historical amounts

According to the Master Commercial Operational and Related Services Agreement, the maximum amounts of service fee payable by the New Hope Wuxin Group and its associates in relation to the Commercial Operational and Related Services for each of the three years ending 31 December 2023 will not exceed RMB48.6 million, RMB53.0 million and RMB76.3 million, respectively.

For the two years ended 31 December 2022 and the ten months ended 31 October 2023, the service fees paid by the New Hope Wuxin Group and its associates under the Master Commercial Operational and Related Services Agreement amounted to approximately RMB46.5 million, RMB43.1 million and RMB52.8 million, respectively.

LETTER FROM THE BOARD

Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Master Commercial Operational and Related Services Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
	<i>(RMB in millions)</i>		
Annual caps	83.6	92.0	101.1

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Master Commercial Operational and Related Services Agreement; (ii) the estimated revenue to be recognized in relation to the Commercial Operational and Related Services for the three years ending 31 December 2026 based on the existing signed contracts; (iii) the costs incurred for the related services during the two years ended 31 December 2022 and the nine months ended 30 September 2023; (iv) the estimated GFA in respect of the commercial properties developed by the New Hope Wuxin Group and its associates as of 31 December 2024 for which New Hope Service anticipate it may be engaged to provide the Commercial Operational and Related Services, which is approximately 535,481.6 sq.m., based on the GFA of commercial properties developed by the New Hope Wuxin Group and its associates where the Commercial Operational and Related Services were provided by the Group as at 31 October 2023 and the property development plan of the New Hope Wuxin Group and its associates; and (v) the expected increasing demand and services fee on Commercial Operational and Related Services for the three years ending 31 December 2026.

Reasons for and benefits of entering into the 2024 Master Commercial Operational and Related Services Agreement

The Group has been providing Commercial Operational and Related Services to New Hope Wuxin Group before the Listing. Under the 2024 Master Commercial Operational and Related Services Agreement, the Group has been able to secure initial service engagements for commercial properties developed by New Hope Wuxin Group and will increase the revenue of the Group.

The Directors (including the independent non-executive Directors) considers it beneficial to enter into the 2024 Master Commercial Operational and Related Services Agreement, and that the entering of the 2024 Master Commercial Operational and Related Services Agreement is in the Group's ordinary course of business, and the terms of the 2024 Master Commercial Operational and Related Services Agreement and proposed annual caps respectively set out thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

2024 Master Property Management and Related Services Agreement

Background

Reference is made to the Prospectus in relation to, among others, the continuing connected transactions under the Master Property Management and Related Services Agreement entered into between New Hope Service and New Hope Holdings and the annual caps thereunder. As the Master Property Management and Related Services Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, New Hope Service entered into the 2024 Master Property Management and Related Services Agreement with New Hope Holdings on 15 December 2023.

Principal terms

- Date:** 15 December 2023
- Parties:** New Hope Service
New Hope Holdings
- Term:** The term of the 2024 Master Property Management and Related Services Agreement commences from 1 January 2024 (subject to obtaining the Independent Shareholders' approval at the EGM) to 31 December 2026 (both days inclusive).
- Subject matter:** The Group agreed to provide to the New Hope Holdings Group property management and related services, including but not limited to (i) pre-delivery services, including but not limited to (a) preliminary planning and design consultancy services; (b) management services for the sales offices and the display units; (c) house inspection; (d) pre-delivery cleaning services; and (e) pre-delivery preparation; (ii) repair and maintenance services for house and auxiliary facilities after delivery; (iii) property management services for the properties owned or used by New Hope Holdings Group, including but not limited to the unsold residential property units, car parking lots, office buildings and commercial properties; and (iv) other value-added services, such as catering services to the employees of New Hope Holdings Group (the “**Property Management and Related Services**”).

LETTER FROM THE BOARD

Pricing and other terms: The fees to be charged for the Property Management and Related Services will be determined after arm's length negotiations with reference to (i) the size, location and positioning of the properties; (ii) the scope of services; (iii) the anticipated operation costs (including but not limited to labor costs, administration costs and costs of materials), and (iv) the prices charged by the Group for providing comparable services to Independent Third Parties. The service fees shall not be higher than the standard fees designated by the relevant regulatory authorities or lower than the standard fees to be charged from Independent Third Parties. As at the Latest Practicable Date, and to the best knowledge, understanding and belief of the Directors, the Property Management and Related Services in certain cities may be subject to standard fees which are government-prescribed prices or guiding prices promulgated by the PRC government, and the scope and applicability of such government-prescribed prices or guiding price standards may vary in different cities. If the Group considers that the government-prescribed prices or guiding price standards are not aligned with the market standard fees charged from other Independent Third Parties, the Group may charge such market standard fees subject to the approval by or registration with relevant local government authorities.

Members of the New Hope Service Group and members of New Hope Holdings Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Master Property Management and Related Services Agreement.

Historical amounts

According to the Master Property Management and Related Services Agreement, the maximum amounts of service fee payable by the New Hope Holdings Group in relation to the Property Management and Related Services for each of the three years ending 31 December 2023 will not exceed RMB280.8 million, RMB406.6 million and RMB486.9 million, respectively.

For the two years ended 31 December 2022 and the ten months ended 31 October 2023, the service fees paid by the New Hope Holdings Group under the Master Property Management and Related Services Agreement amounted to approximately RMB216.0 million, RMB215.9 million and RMB170.4 million, respectively.

LETTER FROM THE BOARD

Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Master Property Management and Related Services Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
	<i>(RMB in millions)</i>		
Annual caps	300	330	363

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Master Property Management and Related Services Agreement; (ii) the estimated revenue to be recognized in relation to the Property Management and Related Services for the three years ending 31 December 2026 based on the existing signed contracts. The Company would like to clarify that as at 31 October 2023, the Group had contracted to manage 17 projects developed by New Hope Wuxin Group and its associates and yet to be delivered to the Group for management with a contracted GFA of approximately 4.4 million sq.m. instead of 257 projects with a GFA of approximately 38.5 million sq.m. as disclosed in the announcement of the Company dated 15 December 2023; (iii) the costs incurred for the related services during the two years ended 31 December 2022 and the ten months ended 31 October 2023; (iv) in respect of the management services to be provided at the pre-delivery stage, (a) the estimated GFA of the properties expected to be delivered by the New Hope Wuxin Group and its associates for the year ending 31 December 2024, based on the development plan and the land bank of the New Hope Wuxin Group and its associates as at 30 September 2023, as well as their historical sales GFA during the two years ended 31 December 2022 and the nine months ended 30 September 2023. As at 30 September 2023, New Hope Wuxin Group and its associates had a total land reserve of approximately 6.8 million sq.m.; (b) the bidding success rate during the two years ended 31 December 2022 and the nine months ended 30 September 2023 and estimated bidding capacity of the New Hope Service Group for the year ending 31 December 2024; and (c) the estimated service fee based on the average service fee charged during the two years ended 31 December 2022 and the nine months ended 30 September 2023; (v) in respect of the management services to be provided for the properties owned or used by the New Hope Wuxin Group and its associates, (a) the estimated GFA of the unsold properties of residential properties held by the New Hope Wuxin Group and its associates in the next three years, based on the land bank of the New Hope Wuxin Group and its associates and the total GFA under development as at 30 September 2023. As at 30 September 2023, New Hope Wuxin Group and its associates had a total land reserve of approximately 6.8 million sq.m.; (b) the historical average vacancy rate; and (c) the estimated monthly service fee per sq.m. at which management services will be charged based on the average monthly management fee charged for the nine months ended 30 September 2023; (vi) an estimation of 10% buffer for other value-added services for the year ending 31 December 2024; and (vii) the expected increasing demand on Property Management and Related Services for the three years ending 31 December 2026.

LETTER FROM THE BOARD

As at the Latest Practicable Date, according to the management account of the Group, the actual service fee received for the year ended 31 December 2023 is RMB203.7 million which represents around 70% of the proposed annual cap of RMB300 million for the year ending 31 December 2024. As at 31 December 2023, based on the management account, the Group had a total of 123 projects under its management which are developed by New Hope Wuxin Group and its associates with a total GFA of approximately 19.49 million sq.m. as compared with 99 projects under its management with a total GFA of approximately 15.42 million sq.m. as at 31 December 2022, representing a 26.4% increase in respect of GFA under management of the Group. During the period from 2021 to early 2023, in light of the repeated outbreak of Covid-19 epidemic, the accompanied lock-down policy in the PRC and strategy of acquiring business from the Independent Third Parties, the Company has adopted a more prudent approach on the provision of Property Management and Related Services to the New Hope Holdings Group thus the historical transaction amounts for the three years ended 31 December 2023 remained relatively stable. Considering that the property management service industry will be gradually recovered and the demand on Property Management and Related Services for the three years ending 31 December 2026 is expected to be increased, the proposed annual caps for the three years ending 31 December 2026 being RMB300 million, RMB330 million and RMB363 million are fair and reasonable.

Reasons for and benefits of entering into the 2024 Master Property Management and Related Services Agreement

The Group has been providing Property Management and Related Services to New Hope Holdings Group before the Listing. Under the 2024 Master Property Management and Related Services Agreement, the Group has been able to secure initial service engagements for properties developed by New Hope Holdings Group, especially New Hope Wuxin Group and its associates, and will increase the revenue of the Group.

The Directors (including the independent non-executive Directors) considers it beneficial to enter into the 2024 Master Property Management and Related Services Agreement, and that the entering of the 2024 Master Property Management and Related Services Agreement is in the Group's ordinary course of business, and the terms of the 2024 Master Property Management and Related Services Agreement and proposed annual caps respectively set out thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2024 Centralized Supply Chain Service Framework Agreement

Background

Reference is made to (i) the announcement of the Company dated 25 May 2022 in relation to, among others, the continuing connected transactions under the Centralized Supply Chain Service Framework Agreement entered into between New Hope Service and New Hope Holdings, and the annual caps thereunder; and (ii) the Prospectus and announcements of the Company dated 14 December 2021 and 18 November 2022 respectively in relation to, among others, the continuing connected transactions under the Master Sales Agreement entered into between New Hope Service and New Hope Holdings, and the revised annual caps thereunder. As the Centralized Supply Chain Service

LETTER FROM THE BOARD

Framework Agreement and the Master Sales Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon the expiry, New Hope Service entered into the 2024 Centralized Supply Chain Service Framework Agreement with New Hope Holdings on 15 December 2023.

Principal terms

- Date:** 15 December 2023
- Parties:** New Hope Service
New Hope Holdings
- Term:** The term of the 2024 Centralized Supply Chain Service Framework Agreement commences from 1 January 2024 (subject to obtaining the Independent Shareholders' approval at the EGM) to 31 December 2026 (both days inclusive).
- Subject matter:** The New Hope Holdings Group has agreed to place order on the supply chain platform of the New Hope Service Group for the products including office supplies, electrical appliances, office computers, home improvement and building materials, daily necessities, office furniture, clothing, processed food, gift box, alcohol and other farm and sideline products.
- Pricing and other terms:** The New Hope Service Group will source Independent Third Party suppliers for the products ordered by the New Hope Holdings Group. Given that the New Hope Service Group have been cooperated with certain suppliers in the PRC for years, the New Hope Service Group can procure the products at a preferential price. The New Hope Service Group shall then supply the requisite products to the New Hope Holdings Group on terms which are equivalent to those the New Hope Service Group offers to the Independent Third Parties. The prices for the products are determined based on the price list compiled and displayed on the website of the supply chain platform of the New Hope Service Group offered to all its customers including the Independent Third Parties and the New Hope Holdings Group. The platform can be accessed through WeChat mini program by clicking the link: #小程序://鈕釦樂選/K3Dm3fM1zedJZHu. Such prices offered to both the Independent Third Parties and the New Hope Holdings Group will be determined on the cost-plus basis with reference to the prevailing market price for the products, the size of orders and procurement cost of the New Hope Service Group. The gross margin rate is around 2%.

LETTER FROM THE BOARD

Members of the New Hope Holdings Group shall enter into individual agreements (if required by the relevant laws and regulations in the PRC) with members of the New Hope Service Group for the transactions contemplated under the 2024 Centralized Supply Chain Service Framework Agreement in accordance with the principal terms thereof.

Historical amounts

According to the Centralized Supply Chain Service Framework Agreement, the maximum amounts of procurement fee payable by the New Hope Holdings Group for each of the two years ending 31 December 2023 will not exceed RMB20.7 million and RMB20.7 million, respectively.

For the year ended 31 December 2022 and the ten months ended 31 October 2023, the procurement fees paid by the New Hope Holdings Group under the Centralized Supply Chain Service Framework Agreement amounted to approximately RMB3.6 million and RMB10.1 million, respectively.

Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Centralized Supply Chain Service Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
	<i>(RMB in millions)</i>		
Annual caps	88	100	120

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Centralized Supply Chain Service Framework Agreement; (ii) the scope has been expanded to cover the products previously contemplated under the Master Sales Agreement while for the two years ended 31 December 2022 and the ten months ended 31 October 2023, the procurement fees paid by the New Hope Holdings Group under the Master Sales Agreement amounted to approximately RMB7.3 million, RMB22.3 million and RMB12.0 million, respectively; (iii) the expected increasing demand of the New Hope Holdings Group for the products for the three years ending 31 December 2026; and (iv) the unit price for the products as displayed on the website of the supply chain platform of the New Hope Service Group.

As at the Latest Practicable Date, according to the management account of the Group, the actual procurement fee received for the year ended 31 December 2023 is RMB31.1 million (including the amounts under the Master Sales Agreement) which only represents 35.4% of the proposed annual cap of RMB88 million for the year ending 31 December 2024 as the online supply chain platform of the Group has just been launched and at its initial phase thus there are limited customers from New Hope Holdings Group who will procure

LETTER FROM THE BOARD

products from the Group. The procurement amount from online supply chain platform of the Group are mainly concentrated on the last three months of 2023. According to the management account of the Group, the actual transaction amount under the Centralized Supply Chain Service Framework Agreement is RMB9.3 million for the three months ended 31 December 2023, which has represented around 50% of the actual transaction amount being RMB20.6 million under the Centralized Supply Chain Service Framework Agreement for the year ended 31 December 2023. It is expected the number of customers from New Hope Holdings Group will be doubled for the year ending 31 December 2024 based on the latest procurement plan of the New Hope Holdings Group.

Reasons for and benefits of entering into the 2024 Centralized Supply Chain Service Framework Agreement

As the customers under the Master Sales Agreement are more preferred to conduct online procurement and products to be procured have been launched on the online supply chain platform system, the Company resolved to enter into a single 2024 Centralized Supply Chain Service Framework Agreement, which will enable the Group: (i) to build quality of its supply chain platform that better caters for the procurement needs of corporate customers of the Group. Through its online supply chain platform system, the competition and marketing ability of the Company in the field of lifestyle services will be enhanced by the better quality of supply chain service and competitive commodity price of the Group; and (ii) to increase the revenue of the Company from the business segment of lifestyle services through the consolidation effect of online supply chain platform which combined the Group's professional advantage in supply chain management, bargaining power with upstream suppliers and quality control, which will bring more value for the Shareholders.

The Directors (including the independent non-executive Directors) are of the view that the terms of the 2024 Centralized Supply Chain Service Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary course of business of the Group and in the interests of the Company and its Shareholders as a whole.

PRICING POLICY FOR CONTINUING CONNECTED TRANSACTIONS

As a general principle, the fees to be charged by the Group under the respective agreement of the continuing connected transactions of the Group shall be determined on an arm's length basis in accordance with the prevailing market prices of similar services or products and on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar services or products taking into account of the price of the same or substantially similar services or products with comparable scope or quantities and quality offered by other purchasers to the Group;

LETTER FROM THE BOARD

- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those received from Independent Third Parties by New Hope Holdings Group and New Hope Wuxin Group (where applicable) in respect of the same or substantially similar services or products with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar services or products gathered through market research by the business department of the Group, such as obtaining quotations from the business partners of New Hope Holdings Group and New Hope Wuxin Group (where applicable), the previous suppliers and potential suppliers based on the type and nature of the relevant services or products.

In order to ascertain the prevailing market price, the business department of the Group and its designated personnel will, on a quarterly basis, invite quotations from at least two Independent Third Parties for the provision of the same or similar services or products with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties. The business department of the Group will then compare the market price with the fees under individual transactions pursuant to the CCT Agreements, and make evaluation and assessment to ensure that the price payable by New Hope Holdings Group and New Hope Wuxin Group (where applicable) will be on normal commercial terms and on terms no less favourable than that available from Independent Third Parties.

INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

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

- (i) the general manager of the business department and finance department will, on monthly basis, closely monitor the transactions to ensure that the transaction amount does not exceed the annual caps of the respective CCT Agreements. Should the actual transaction amount has been approaching 80% of the annual caps of the respective CCT Agreements, the general manager of the business department and finance department will consider if the Company will need to revise the annual caps. The business department will suspend the transactions until the annual caps have been revised according to the note to Rule 14A.35 of the Listing Rules if the Company expects that the transaction amount will exceed the annual caps;

LETTER FROM THE BOARD

- (ii) the implementation of individual agreements (if required) shall be subject to the appropriate approval of the general manager of the business department, finance department, legal department and management of the Group to ensure that the agreements are in line with the pricing policy and principal terms of the CCT Agreements;
- (iii) in respect of the 2024 Centralized Supply Chain Service Framework Agreement, the price list for the products displayed on the website of the supply chain platform of the New Hope Service Group is reviewed on quarterly basis with reference to the prevailing market conditions, the size of orders and procurement cost, and be approved by the general manager of the business department;
- (iv) the general manager of the business department of the Group will conduct quarterly reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the pricing policy;
- (v) in order to ascertain the prevailing market price, the general manager of the business department of the Group will, on a quarterly basis, invite quotations from at least two Independent Third Parties for the provision of the same or similar services or products with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties;
- (vi) the general manager of the financial department of the Group will monthly review the settlement of service fees/product fees to ensure that the settlement of the service fees/product fees are carried out in accordance with the respective CCT Agreements;
- (vii) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the respective CCT Agreements; and
- (viii) the independent non-executive Directors of the Company would continue to review the management's quarterly review reports on the transactions contemplated under the respective CCT Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES

The Group and New Hope Service

The Group is a well-established comprehensive property management and lifestyle service operator in China, providing property management services, value-added services to non-property owners, commercial operational services and lifestyle services.

New Hope Service is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, New Hope Service is principally engaged in the provision of property management service, value-added services to non-property owners, commercial operational services and lifestyle services.

New Hope Wuxin

New Hope Wuxin is a company established in the PRC with limited liability which is principally engaged in the property development. As at the Latest Practicable Date, New Hope Wuxin is owned as to approximately 30.48% by Southern Hope Industrial Co., Ltd.* (南方希望實業有限公司) (the “**Southern Hope**”), 29.52% by New Hope Group Co., Ltd.* (新希望集團有限公司) (the “**New Hope Group**”), 20.45% by Ningbo Zhuosheng Investment Co., Ltd.* (寧波卓晟投資有限公司) (the “**Ningbo Zhuosheng**”), 17.95% by New Hope Investment Group Co., Ltd.* (新希望投資集團有限公司) (the “**New Hope Investment**”), 1.07% by Ms. Liu and 0.53% by Chengdu Good Food Street Catering and Entertainment Co., Ltd.* (成都好吃街餐飲娛樂有限公司) (the “**Good Food Street Catering**”).

Based on public information available, Southern Hope is owned as to 51% by New Hope Group and 49% by Ningbo Zhuosheng; New Hope Group is owned as to 75% by New Hope Holdings, 14.60% by Mr. Liu, 9.09% by Ms. Liu and 1.31% by Ms. Li Wei (李巍); Ningbo Zhuosheng is owned as to 72.66% by Tibet Tianyi Industrial Co., Ltd.* (西藏添益實業有限公司) (the “**Tibet Tianyi**”) and 27.34% by Mr. Liu; Tibet Tianyi is wholly owned by Charis Investment Holdings Pte. Ltd., which is in turn owned as to 98% by Ms. Liu and 2% by Ms. Li Wei (李巍).

New Hope Investment is wholly owned by New Hope Holdings, which is in turn indirectly wholly owned by Mr. Liu.

Good Food Street Catering is owned as to 90% by Ms. Li Wei (李巍) and 10% by Ms. Liu.

New Hope Holdings

New Hope Holdings is a company established in the PRC with limited liability on 17 December 2019 which is principally engaged in investment holding and other businesses and is indirectly wholly owned by Mr. Liu, one of the Company’s controlling shareholders.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

As at the Latest Practicable Date, New Hope Holdings is indirectly wholly owned by Mr. Liu, one of the Company's controlling shareholders. Hence, New Hope Holdings is an associate of Mr. Liu, and a connected person of the Company. New Hope Wuxin is indirectly controlled by Mr. Liu. Thus, New Hope Wuxin is an associate of Mr. Liu and hence a connected person of the Company. Accordingly, the transactions contemplated under the CCT Agreements will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the CCT Agreements exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules. In the event that the EGM is scheduled after 1 January 2024, the Company will refrain the transaction amounts from exceeding the exemption under Rule 14A.76 of the Listing Rules until approval has been obtained from Independent Shareholders at the EGM. The Directors confirms that the transaction amounts as at the Latest Practicable Date had not exceeded the de minimis exemption under Rule 14A.76 of the Listing Rules.

BOARD APPROVAL

At the Board meeting held to approve the CCT Agreements, each of Mr. Jiang Mengjun, Ms. Wu Min, Mr. Liu Xu, Mr. Dong Li and Ms. Zhang Wei has voluntarily abstained from voting on the Board resolutions for approving the CCT Agreements due to their respective management positions held at the New Hope Wuxin Group and/or New Hope Holdings Group. Save as disclosed above, none of the Directors was required to abstain from voting on the relevant Board resolution.

EGM AND PROXY ARRANGEMENT

A notice of the EGM is set out on pages 45 to 47 of this circular. The EGM will be convened and held at 16/F, Building 2, New Hope Zhongding International, No. 366 Jinshi Road, Jinjiang District, Chengdu, Sichuan, China on Tuesday, 19 March 2024 at 2:00 p.m. to consider and, if thought fit, approve the ordinary resolutions in relation to, among other things, the CCT Agreements and the respective annual caps contemplated thereunder by the Independent Shareholders.

The proxy form of the EGM is also enclosed in this circular.

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 15 March 2024 to Tuesday, 19 March 2024, both days inclusive, during which period no transfer Shares will be registered.

LETTER FROM THE BOARD

Shareholders who wish to attend and vote at the EGM but have not registered the transfer documents shall submit the share certificates together with the properly completed share transfer forms to Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 14 March 2024 for registration.

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

Under Rule 14A.36 of the Listing Rules, any shareholder and his/her/its associates who has a material interest in a proposed transaction must abstain from voting at the relevant general meeting on the relevant resolution(s). As at the Latest Practicable Date, (i) Golden Rose, which holds 544,800,000 Shares, representing approximately 66.92% of the issued share capital of the Company, is indirectly wholly-owned by Vistra Trust (Singapore) Pte. Limited, the trustee of the Cathaya Trust (an irrevocable discretionary trust for the benefit of Mr. Liu's family member) and (ii) New Voyage Development Limited, which holds 40,848,000 Shares, representing approximately 5.02% of the issued share capital of the Company, is indirectly wholly owned by TMF Trust (HK) Limited, the trustee of the Employee Benefit Trust for the benefit of certain Directors including Ms. Wu Min and Mr. Jiang Mengjun who also holds management positions at New Hope Wuxin Group and/or New Hope Holdings Group, shall abstain from voting on the proposed resolution approving the CCT Agreements and the respective annual caps contemplated thereunder at the EGM.

As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Golden Rose and New Voyage Development Limited, none of the Shareholder has a material interest in the CCT Agreements and the respective annual caps contemplated thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the CCT Agreements, as well as the respective annual caps contemplated thereunder; and (ii) the letter from the Independent Financial Adviser set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation CCT Agreements and the respective annual caps contemplated thereunder, as well as the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice.

LETTER FROM THE BOARD

Having taken into account the terms of the CCT Agreements, the information provided in the letter from the Board and the letter from the Independent Financial Adviser, the Independent Board Committee considers that (i) the terms of the CCT Agreements and the respective annual caps contemplated thereunder are on normal commercial terms and are fair and reasonable; and (ii) the transactions contemplated under the CCT Agreements are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the ordinary resolutions as set out in the notice of EGM and to be proposed at the EGM for approving the CCT Agreements and the respective annual caps contemplated thereunder.

The Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) are of the view that the CCT Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole and therefore recommends you to vote in favour of the relevant resolutions to be proposed at the EGM.

On behalf of the Board
New Hope Service Holdings Limited
Jiang Mengjun
Chairman



New Hope Service Holdings Limited

新希望服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3658)

29 February 2024

To the Independent Shareholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF CONTINUING CONNECTED TRANSACTION
AGREEMENTS
DUE TO EXPIRE ON 31 DECEMBER 2023**

We refer to the circular issued by the Company to the Shareholders dated 29 February 2024 (the “**Circular**”) which this letter forms part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the Circular.

We have been appointed by the Board as the members of the Independent Board Committee to consider the CCT Agreements and to advise the Independent Shareholders in respect of the CCT Agreements and the respective proposed annual caps contemplated thereunder, details of which are set out in the “Letter from the Board” on page 5 to 21 of the Circular. Messis Capital Limited has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the “Letter from the Board” and the “Letter from Independent Financial Adviser” as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, Messis Capital Limited as set out in their letter of advice, we consider that (i) the terms of the CCT Agreements and the respective proposed annual caps are on normal commercial terms and are fair and reasonable; and (ii) the transactions contemplated under the CCT Agreements are

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolutions approving the CCT Agreements and the respective proposed annual caps contemplated thereunder at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee of

New Hope Service Holdings Limited

Mr. Cao Qilin

*Independent non-executive
Director*

Mr. Li Zhengguo

*Independent non-executive
Director*

Mr. Kong Chi Mo

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from the Independent Financial Adviser, Messis Capital Limited, to the Independent Board Committee and the Independent Shareholders in relation to the terms of (i) the 2024 Master Commercial Operational and Related Services Agreement; (ii) the 2024 Master Property Management and Related Services Agreement; and (iii) the 2024 Centralized Supply Chain Service Framework Agreement, which has been prepared for the purpose of inclusion in this circular.

MESSIS 大有融資

29 February 2024

*To: The Independent Board Committee and the Independent Shareholders of
New Hope Service Holdings Limited*

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of (i) the 2024 Master Commercial Operational and Related Services Agreement; (ii) the 2024 Master Property Management and Related Services Agreement; and (iii) the 2024 Centralized Supply Chain Service Framework Agreement, (all together the “**Framework Agreements**”), and the transactions contemplated thereunder, including the respective proposed annual caps. Details of the relevant Framework Agreements are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 29 February 2024 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Since the existing framework agreements for the respective continuing connected transactions expired on 31 December 2023, the Company entered into the Framework Agreements on 15 December 2023 to continue its principal businesses with connected

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

persons for the coming three years ending 31 December 2026. Principal terms of the Framework Agreements are set out in the Letter from the Board with the proposed annual caps summarized as below:

	Year ending 31 December		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2024 Master Commercial Operational and Related Services Agreement	83,600	92,000	101,100
2024 Master Property Management and Related Services Agreement	300,000	330,000	363,000
2024 Centralized Supply Chain Service Framework Agreement	88,000	100,000	120,000

The Framework Agreements are entered into between the Company, New Hope Wuxin and New Hope Holdings. As at the Latest Practicable Date, New Hope Wuxin is indirectly controlled by Mr. Liu who is one of the controlling shareholders of the Company. Thus, New Hope Wuxin is an associate of Mr. Liu and hence a connected person of the Company. New Hope Holdings is indirectly wholly owned by Mr. Liu. Hence, New Hope Holdings is an associate of Mr. Liu, and a connected person of the Company. Accordingly, the entering into of the Framework Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules. As one or more applicable percentage ratios (other than the profits ratio) in respect of each of the Framework Agreements are over 5%, the Framework Agreements are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr. Cao Qilin, Mr. Kong Chi Mo and Mr. Li Zhengguo, has been established to consider and make a recommendation to the Independent Shareholders on whether the Framework Agreements, and the transactions contemplated thereunder, and the respective annual caps are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. We, Messis Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

Messis Capital Limited is not connected with the Directors or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders. In the past two years, there was no engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as independent financial adviser, no arrangement exists whereby Messis Capital Limited will receive any fees or benefits from the Company or the Directors or substantial shareholders of the Company or any of their respective associates. We are independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Framework Agreements and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinions and recommendations, we have reviewed, *inter alia*, (i) the Framework Agreements; (ii) the announcement of the Company dated 15 December 2023; (iii) the annual reports of the Company (the “**Company’s Annual Reports**”); and (iv) the prospectus of the Company dated 11 May 2021 (the “**Prospectus**”). We have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the Directors and the management of the Company for which they are solely and wholly responsible, are true and accurate at the time they were made and will continue to be accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the management of the Company.

The 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 the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the document misleading.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group and any parties in relation to the Framework Agreements.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Framework Agreements, and the transactions contemplated thereunder, together with the respective proposed annual caps. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Background to and reasons for the Framework Agreements

The Group principally engaged in the provision of property management services, value-added services to non-property owners, commercial operational services and lifestyle services in the PRC. With reference to the Prospectus, (i) commercial operational services which include tenant sourcing and management and marketing and promotion services and other related services; (ii) property management and value added services which include preliminary planning and design consultancy, pre-delivery and repair and maintenance services; and (iii) lifestyle services which include online and offline retail services and catering services, have long been the core businesses of the Group before listing. Upon listing in year 2021, relevant services provided to connected persons are governed by framework agreements and are conducted in accordance with the requirements under Chapter 14A of the Listing Rules.

Since the existing framework agreements for the respective continuing connected transactions expired on 31 December 2023, the Company entered into the Framework Agreements on 15 December 2023 to continue its businesses with connected persons for the coming three years ending 31 December 2026.

The table below sets forth the revenue generated from provision of (i) Commercial Operational and Related Services; (ii) Property Management and Related Services; and (iii) Centralized Supply Chain Services, to connected persons for the three years ended 31 December 2022 as extracted from the Prospectus and Company's Annual Report in FY2022:

	Year ended 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
Revenue from connected persons			
— Commercial Operational and Related Services A	31,700	46,500	43,100
— Property Management and Related Services B	190,700	216,000	215,900
— Centralized Supply Chain Services (<i>Note</i>) C	<u>5,400</u>	<u>7,300</u>	<u>25,900</u>
	<u>227,800</u>	<u>269,800</u>	<u>284,900</u>
Total revenue D	<u>588,263</u>	<u>924,970</u>	<u>1,138,889</u>
A + B + C/D	38.7%	29.2%	25.0%

Note: Include procurement fees generated under both Centralized Supply Chain Service Framework Agreement and Master Sales Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above, revenue generated from connected persons increased gradually from approximately RMB227.8 million in FY2020 to approximately RMB284.9 million in FY2022 and represented a material source of income for the Group that contributed approximately 20% to 30% of total revenue of the Group for the three years ended 31 December 2022. Accordingly, the executive Director consider, and we concur, that the provision of (i) Commercial Operational and Related Services; (ii) Property Management and Related Services; and (iii) Centralized Supply Chain Services, to connected persons are in the ordinary and usual course of business of the Company and the Framework Agreements allow the Group to continue its long-standing business relationship with connected persons while safeguarding the interest of the contract parties in any future engagement, which is beneficial to the development of the Group.

2. Principal terms of the 2024 Master Commercial Operational and Related Services Agreement

In light of the expiration of the existing framework agreement governing the provision of Commercial Operational and Related Services on 31 December 2023, the Company entered into the 2024 Master Commercial Operational and Related Services Agreement to continue its principal businesses with New Hope Wuxin, with the principal terms set out as below:

Date:	15 December 2023
Parties:	(1) New Hope Service (2) New Hope Wuxin
Term:	The period commencing from 1 January 2024 to 31 December 2026.
Subject matter:	The Group agreed to provide to the New Hope Wuxin Group and its associates with commercial operational services, including but not limited to preliminary planning and consultancy, tenant sourcing and management and marketing and promotion services and other related services, for commercial properties developed/owned/rent by the New Hope Wuxin Group and its associates which include office buildings, shopping malls, commercial complexes and operational spaces in or near residential communities.
Annual caps:	<i>FY2024</i> : RMB83.6 million <i>FY2025</i> : RMB92.0 million <i>FY2026</i> : RMB101.1 million

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing and other terms: The fees to be charged for the Commercial Operational and Related Services will be determined after arm's length negotiations with reference to (i) the size, location and positioning of the properties; (ii) the scope of services; (iii) the anticipated operation costs (including but not limited to labor costs, administration costs and costs of materials), and (iv) the rates generally offered by the Group to Independent Third Parties and the fees for similar services and types of properties in the market.

To assess the fairness and reasonableness of the pricing basis under the 2024 Master Commercial Operational and Related Services Agreement, we have obtained the project list prepared by management of the Company that sets out an exhaustive list of projects with New Hope Wuxin during the six months ended 30 June 2023 (the "Review Period"). We have selected from the project list and reviewed a total of 6 sample contracts representing approximately 42.0% of revenue generated from commercial operational and related services and covering the provision of Commercial Operational and Related Services to all types of properties during the Review Period. As discussed with management, commercial operational services provided to the same type of properties generally have similar scope of services and pricing terms. Having considered that (i) the contracts are selected for review based on the materiality in terms of revenue contribution; and (ii) the sample contracts selected cover all types of properties managed by the Company during the Review Period, we are of the view that the sample contracts are representative and sufficient.

The sample contracts with New Hope Wuxin and independent third party customers under review and comparison are considered comparable in terms of (i) types of properties; (ii) location of properties under management; and/or (iii) scope of services. We consider the selection criteria fair and reasonable because we are given to understand that these are the key parameters that affect the pricing of Commercial Operational and Related Services and also services provided to independent third party customers. Based on the review of sample contracts, we note that there is no significant difference in pricing and terms given by the Group to New Hope Wuxin and other independent third party customers. The terms offered by the Group to New Hope Wuxin are no more favourable than those offered to independent third parties.

Having considered that (i) the 2024 Commercial Operational and Related Services Agreement is to succeed the existing framework agreement and continue the Group's businesses with New Hope Wuxin; and (ii) the principal terms in particular that the fee charged to New Hope Wuxin is generally in line with that charged to independent third party customers, we concur with the executive Director's view that the terms of the 2024 Commercial Operational and Related Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. Principal terms of the 2024 Master Property Management and Related Services Agreement

In light of the expiration of the existing framework agreement governing the provision of Property Management and Related Services on 31 December 2023, the Company entered into the 2024 Master Property Management and Related Services Agreement to continue its principal businesses with New Hope Holdings, with the principal terms set out as below:

Date:	15 December 2023
Parties:	(1) New Hope Service (2) New Hope Holdings
Term:	The period commencing from the 1 January 2024 to 31 December 2026.
Subject matter:	The Group agreed to provide to the New Hope Holdings Group property management and related services, including but not limited to (i) pre-delivery services, including but not limited to (a) preliminary planning and design consultancy services; (b) management services for the sales offices and the display units; (c) house inspection; (d) pre-delivery cleaning services; and (e) pre-delivery preparation; (ii) repair and maintenance services for house and auxiliary facilities after delivery; (iii) property management services for the properties owned or used by New Hope Holdings Group, including but not limited to the unsold residential property units, car parking lots, office buildings and commercial properties; and (iv) other value-added services, such as catering services to the employees of New Hope Holdings Group.
Annual caps:	<i>FY2024</i> : RMB300 million <i>FY2025</i> : RMB330 million <i>FY2026</i> : RMB363 million

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pricing and other terms: The fees to be charged for the Property Management and Related Services will be determined after arm's length negotiations with reference to (i) the size, location and positioning of the properties; (ii) the scope of services; (iii) the anticipated operation costs (including but not limited to labor costs, administration costs and costs of materials), and (iv) the prices charged by the Group for providing comparable services to Independent Third Parties. The service fees shall not be higher than the standard fees designated by the relevant regulatory authorities or lower than the standard fees to be charged from Independent Third Parties. As at the Latest Practicable Date, and to the best knowledge, understanding and belief of the Directors, the Property Management and Related Services in certain cities may be subject to standard fees which are government-prescribed prices or guiding prices promulgated by the PRC government, and the scope and applicability of such government-prescribed prices or guiding price standards may vary in different cities. If the Group considers that the government-prescribed prices or guiding price standards are not aligned with the market standard fees charged from other Independent Third Parties, the Group may charge such market standard fees subject to the approval by or registration with relevant local government authorities.

To assess the fairness and reasonableness of the pricing basis under the 2024 Master Property Management and Related Services Agreement, we have obtained the project list prepared by management of the Company that sets out an exhaustive list of projects with New Hope Holdings during the Review Period. Since the transactions were scattered with each contributing less than 1% of the revenue generated from property management services during the Review Period, we have selected two largest transactions in terms of revenue contribution, one with New Hope Holdings and another with independent third party customer, for each of the 6 types of properties managed by the Company during the Review Period. We have selected from the project list and reviewed a total of 12 sample contracts representing approximately 16.5% of revenue generated from property management services and covering the provision of Property Management and Related Services to all types of properties during the Review Period. As discussed with management, property management services provided to the same type of properties generally have similar scope of services and pricing terms. Having considered that (i) the contracts are selected for review based on the materiality in terms of revenue contribution; and (ii) the sample contracts selected cover all types of properties managed by the Company during the Review Period, we are of the view that the sample contracts are representative and sufficient.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The sample contracts with New Hope Holdings and independent third party customers under review and comparison are considered comparable in terms of (i) types of properties; (ii) location of properties under management; and/or (iii) scope of services. We consider the selection criteria fair and reasonable because we are given to understand that these are the key parameters that affect the pricing of Property Management and Related Services and also services provided to independent third party customers. Based on the review of sample contracts, we note that there is no significant difference in pricing and terms given by the Group to New Hope Holdings and other independent third party customers. The terms offered by the Group to New Hope Holdings are no more favourable than those offered to independent third parties and the average unit price charged to New Hope Holdings are no less than that charged to independent third parties.

Having considered that (i) the 2024 Property Management and Related Services Agreement is to succeed the existing framework agreement and continue the Group's businesses with New Hope Holdings; and (ii) the principal terms in particular that the fee charged to New Hope Holdings is generally in line with that charged to independent third party customers, we concur with the executive Director's view that the terms of the 2024 Property Management and Related Services Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Principal terms of the 2024 Centralized Supply Chain Service Framework Agreement

The principal terms of the 2024 Centralized Supply Chain Service Framework Agreement are set out below:

Date:	15 December 2023
Parties:	(1) New Hope Service (2) New Hope Holdings
Term:	The period commencing from the 1 January 2024 to 31 December 2026.
Subject matter:	The New Hope Holdings Group has agreed to place order on the supply chain platform of the New Hope Service Group for the products including office supplies, electrical appliances, office computers, home improvement and building materials, daily necessities, office furniture, clothing, processed food, gift box, alcohol and other farm and sideline products.
Annual caps:	<i>FY2024</i> : RMB88 million <i>FY2025</i> : RMB100 million <i>FY2026</i> : RMB120 million

Pricing and other terms: The New Hope Service Group will source Independent Third Party suppliers for the products ordered by the New Hope Holdings Group. Given that the New Hope Service Group have been cooperated with certain suppliers in the PRC for years, the New Hope Service Group can procure the products at a preferential price. The New Hope Service Group shall then supply the requisite products to the New Hope Holdings Group on terms which are equivalent to those the New Hope Service Group offers to the Independent Third Parties. (The prices for the products are determined based on the price list compiled and displayed on the website of the supply chain platform of the New Hope Service Group offered to all its customers including the Independent Third Parties and the New Hope Holdings Group.) The platform can be accessed through WeChat mini program by clicking the link: #小程序://鈕釦樂選/K3Dm3fM1zedJZHu. Such prices offered to both the Independent Third Parties and the New Hope Holdings Group will be determined on the cost-plus basis with reference to the prevailing market price for the products, the size of orders and procurement cost of the New Hope Service Group. The gross margin rate is around 2%.

To assess the fairness and reasonableness of the pricing basis under the 2024 Centralized Supply Chain Service Framework Agreement, we have discussed with management and are given to understand that the Company has newly launched the centralized procurement mall platform on 30 September 2022. It is noted that the online and offline retail services used to be provided by the Company mainly focus on food and groceries while products offered on the new centralized procurement mall platform span across different types of office supplies, electrical appliances, office computers, home improvement and building materials and a wide range of other merchandise.

We have sighted the operation of the online centralized procurement platform and noted that the prices for the products are displayed on the website of the supply chain platform where New Hope Holdings Group companies can place their orders directly. We have reviewed 3 sets of sample orders placed by New Hope Holdings Group companies during the Review Period for walkthrough purpose to understand the sales-purchase cycle of the Centralized Supply Chain Service. We consider that the sample orders selected are related to the most common type of merchandises sold by the Group on the procurement platform , being beverage; 3C products; and electrical appliance, contributing over 50% of revenue generated from the procurement platform and therefore are representative and sufficient. We notice that the Group generally make bulk purchase of the merchandise from independent third party suppliers and

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resale the products on the procurement platform. We have also reviewed another 3 sets of sample orders placed by independent third party customers of the same merchandises purchased by New Hope Holdings Group companies for comparison purpose. Based on the review of sample orders, we note that there is no significant difference in pricing and terms given by the Group to New Hope Holdings and other independent third party customers. The terms offered by the Group to New Hope Holdings are no more favourable than those offered to independent third parties. We attempt to assess if the provision of Centralized Supply Chain Service is profitable and beneficial to the Company and the Shareholders as a whole and therefore have scrutinized the sales orders placed during the Review Period and notice that the Group could generate profits on all sales to New Hope Holdings Group.

Having considered that (i) the 2024 Centralized Supply Chain Service Framework Agreement is to succeed the existing framework agreement and continue the Group's businesses with New Hope Holdings; (ii) the principal terms in particular that the fee charged to New Hope Holdings is generally in line with that charged to independent third party customers; and (iii) the merchandise offered on the online centralized procurement mall platform could be sold to New Hope Holdings at premium and generate extra income for the Group, we concur with the executive Director's view that the terms of the 2024 Centralized Supply Chain Service Framework Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

5. The proposed annual caps

A. 2024 Master Commercial Operational and Related Services Agreement

Set out below are (i) the historical annual caps; and (ii) the proposed annual caps of Commercial Operational and Related Services for the coming three years ending 31 December 2026:

	Year ended 31 December		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical annual caps A	48,600	53,000	76,300
Actual transaction amount B	46,500	43,100	52,800(<i>Note</i>)
Utilization rate B/A	95.7%	81.3%	69.2%
	Year ending 31 December		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Proposed annual caps	83,600	92,000	101,100

Note: Transaction amount for the ten months ended 31 October 2023.

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As shown in the table above, the utilization rate based on actual transaction amount for the ten months ended 31 October 2023 has reached approximately 69.2%. As discussed with management and based on the management account of the Group, the 12-month transaction amount for the year ended 31 December 2023 was approximately RMB60.3 million, representing a utilisation rate of 79.0% of annual cap in FY2023. Accordingly, we concur with the Director's view that Group has attained a high utilisation rate in the past three years.

We are also given to understand that the transaction amount of Commercial Operational and Related Services is driven by the GFA of commercial properties developed by the New Hope Wuxin Group and its associates for which the Group is engaged to provide the Commercial Operational and Related Services. As discussed with management, the GFA of commercial properties under the management of the Group gradually increased from approximately 520,739 sq.m. in FY2022 to 538,648 sq.m. in FY2023 and is expected to further increase to 552,557 sq.m. in FY2024, representing an annual average growth rate of approximately 3%. Also, we notice that there was a significant increase in actual transaction amount of the provision of Commercial Operational and Related Services by approximately RMB9.7 million or 22.5% from RMB43.1 million in FY2022 to RMB52.8 million for the ten months ended 31 December 2023. Accordingly, we consider that the conservative growth rate of the proposed annual caps of approximately 10% is fair and reasonable.

Having considered that (i) the high utilization rate attained by the Company in the previous three years; and (ii) the relatively conservative proposed annual caps set by the Company where the annual cap for year 2024 only represents a mild growth of approximately 10% as compared with that in year 2023, the Directors are of the view and we concur that the proposed annual caps for the coming three years ending 31 December 2026 governed by the 2024 Master Commercial Operational and Related Services Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

B. 2024 Master Property Management and Related Services Agreement

Set out below are (i) the historical annual caps; and (ii) the proposed annual caps of Property Management and Related Services for the coming three years ending 31 December 2026:

	Year ended 31 December		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical annual caps			
A	280,800	406,600	486,900
Actual transaction			
amount B	216,000	215,900	170,400(<i>Note</i>)
Utilization rate B/A	76.9%	53.1%	35.0%

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	Year ending 31 December		
	2024	2025	2026
	RMB'000	RMB'000	RMB'000
Proposed annual caps	300,000	330,000	363,000

Note: Transaction amount for the ten months ended 31 October 2023.

As shown in the table above, the utilization rate based on actual transaction amount for the ten months ended 31 October 2023 reached approximately 35.0%. As discussed with management and based on the management account of the Group, the 12-month transaction amount for the year ended 31 December 2023 was approximately RMB203.7 million, representing a utilisation rate of 41.8% of annual cap in FY2023. Despite that the transaction amount of Property Management and Related Services hovered around the level of RMB200 million, we notice that there is a gradual decrease in utilisation from FY2021 to FY2023. As discussed with management, the decrease in utilisation rate was mainly attributable to the Group's strategy to increase independence from New Hope Group. With reference to the Company's Annual Report in FY2022, the Group has devoted efforts to market expansion and acquiring business from independent third party developers as evidenced by the fact that the newly obtained GFA under management of the Group from independent third parties accounted for approximately 69.4% of the total newly obtained GFA under management in FY2022.

We notice that the proposed annual cap set by the Company for year 2024 has been reduced by approximately 38.4% as compared with that in year 2023 to factor in the continuous effort on market expansion to other independent third party developers and increased independence from New Hope Group. As advised by the management, the actual transaction amount for the year ended 31 December 2023 of approximately RMB203.7 million represents utilisation rate of approximately 67.9% of the proposed annual cap of RMB300 million for the year 2024. As discussed with management, although the Group will actively devote efforts to develop business with independent third party customers, the Group will continue to undertake projects awarded by New Hope Wuxin which is one of the active property developers in the PRC.

We notice that there is a buffer provided in the proposed annual caps, in particular that the proposed annual cap for FY2024 of RMB300 million represents approximately RMB96.3 million or 47.3% in excess of the actual transaction amount of approximately RMB203.7 million for FY2023. Having considered (i) the cut back on proposed annual cap for FY2024 by approximately 38.4% as compared with the annual cap for FY2023 to factor in the continuous effort on market expansion to other independent third party developers and increased independence from New Hope Group; (ii) the relatively stable transaction amount of Property Management and Related Services in the past

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three years; and (iii) the upside potential driven by gradual recovery of the property market fostered by a series of favorable policies released for the real estate market in the PRC including the loosened measures on purchase restrictions and sales restrictions in various major cities in China, we are of the view that the proposed annual cap for the year 2024 is fair and reasonable.

In addition, we are given to understand that revenue generated from the properties developed by New Hope Wuxin represents an important source of income to the Group because the steady growth of New Hope Wuxin could guarantee the sustainable development of the Group in terms of GFA under management and generate huge potential market for the Group's value-added services. The Group had a total of 123 projects under its management which are developed by New Hope Wuxin Group and its associates with a total GFA of approximately 19.5 million sq.m. as at 31 December 2023 as compared with 99 projects under its management with a total GFA of approximately 15.4 million sq.m. as at 31 December 2022, representing a 26.4% increase in respect of GFA under management of the Group. Also, as discussed with management, there are currently 17 projects with contracted GFA of approximately 4.4 million sq.m. awarded by New Hope Wuxin Group in the pipeline and yet to be delivered to the Group for management. The GFA of properties developed by the New Hope Wuxin which are under the management of the Group amounted to 11.6 million sq.m., 15.4 million sq.m. and 19.5 million sq.m. as at 31 December 2021, 2022 and 2023 respectively, representing an annual average growth rate of approximately 30.1%. Accordingly, with the continuous growth in GFA under management by the Group, we consider that the conservative growth rate of the proposed annual caps of approximately 10% is fair and reasonable.

Having considered that (i) the provision of Property Management and Related Services to properties developed by New Hope Wuxin could guarantee the sustainable development of the Group; (ii) the relatively conservative proposed annual caps set by the Company where the annual cap for year 2024 has been reduced by approximately 38.4% as compared with that in year 2023 to factor in the continuous effort on market expansion to other independent third party developers and increased independence from New Hope Group; and (iii) the reasonable growth rate of the proposed annual cap of 10% as compared with the annual average growth rate of approximately 30.1% of GFA under management in the past three years, the Directors are of the view and we concur that the proposed annual caps for the coming three years ending 31 December 2026 governed by the 2024 Master Property Management and Related Services Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

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C. 2024 Centralized Supply Chain Service Framework Agreement

Set out below are (i) the historical annual caps; and (ii) the proposed annual caps of Centralized Supply Chain Service (including transactions previously conducted under Master Sales Agreement) for the coming three years ending 31 December 2026:

	Year ended 31 December		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical annual caps			
A (Note 1)	8,500	43,700	46,000
Actual transaction			
amount B (Note 1)	7,300	25,900	22,100 (Note 2)
Utilization rate B/A	85.9%	59.3%	48.0%
	Year ending 31 December		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Proposed annual caps	88,000	100,000	120,000

Notes:

1. Include procurement fees generated under both Centralized Supply Chain Service Framework Agreement and Master Sales Agreement.
2. Transaction amount for the ten months ended 31 October 2023.

As shown in the table above, the utilization rate based on actual transaction amount for the ten months ended 31 October 2023 has reached approximately 48.8%. As discussed with management and based on the management account of the Group, the 12-month transaction amount for the year ended 31 December 2023 was approximately RMB31.1 million (including the procurement fees under both Centralized Supply Chain Service Framework Agreement and Master Sales Agreement), representing a utilisation rate of 67.6% of annual cap in FY2023. We notice that there was a dramatic increase in actual transaction amount by approximately 202.7% or RMB14.8 million from approximately RMB7.3 million for the year ended 31 December 2021 to approximately RMB22.1 million for the ten months ended 31 October 2023.

As discussed with management, such increase in transaction amount was mainly attributable to the fact that the Group has successfully launched the centralized procurement mall platform in the fourth quarter in FY2022 and completed the coverage of major segments of New Hope Group, providing a supply chain platform that serves 460 companies in total. As at the Latest Practicable Date, the number of participants has increased to 800 companies. It is

also noted in the Letter from the Board that the procurement amount from online supply chain platform of the Group were mainly concentrated on the last quarter of FY2023 which represented around 50% of the whole year actual transaction amount. Considering (i) the nearly doubled number of users of the online procurement platform and the dramatic increase in historical actual transaction amount; and (ii) the spike in transaction amount in the last quarter of FY2023 indicating a solid demand from New Hope Group companies for procurement services on the online platform, we concur with the Directors' view that the increase in proposed annual caps at an annual average growth rate of approximately 16.8% for the coming three years ending 31 December 2026 is fair and reasonable.

Having considered that (i) the dramatic increase in actual transaction amount by approximately 202.7% since FY2021 and up to FY2023; and (ii) the nearly doubled number of users since the debut of this new online procurement platform, the Directors are of the view and we concur that the proposed annual caps for the coming three years ending 31 December 2026 governed by the 2024 Centralized Supply Chain Service Framework Agreement is fair and reasonable so far as the Independent Shareholders are concerned.

6. Internal control measures regarding the transactions contemplated under the Framework Agreements

The Company has established various internal control measures to monitor the transactions contemplated under the Framework Agreements, including:

- (i) the general manager of the business department and finance department will, on monthly basis, closely monitor the transactions to ensure that the transaction amount does not exceed the annual caps of the respective CCT Agreements. Should the actual transaction amount has been approaching 80% of the annual caps of the respective CCT Agreements, the general manager of the business department and finance department will consider if the Company will need to revise the annual caps. The business department will suspend the transactions until the annual caps have been revised according to the note to Rule 14A.35 of the Listing Rules if the Company expects that the transaction amount will exceed the annual caps;
- (ii) the implementation of individual agreements (if required) shall be subject to the appropriate approval of the general manager of the business department, finance department, legal department and management of the Group to ensure that the agreements are in line with the pricing policy and principal terms of the CCT Agreements;
- (iii) in respect of the 2024 Centralized Supply Chain Service Framework Agreement, the price list for the products displayed on the website of the supply chain platform of the New Hope Service Group is reviewed on

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quarterly basis with reference to the prevailing market conditions, the size of orders and procurement cost, and be approved by the general manager of the business department;

- (iv) the general manager of the business department of the Group will conduct quarterly reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the pricing policy;
- (v) in order to ascertain the prevailing market price, the general manager of the business department of the Group will, on a quarterly basis, invite quotations from at least two Independent Third Parties for the provision of the same or similar services or products with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties;
- (vi) the general manager of the financial department of the Group will monthly review the settlement of service fees/product fees to ensure that the settlement of the service fees/product fees are carried out in accordance with the respective CCT Agreements;
- (vii) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the respective CCT Agreements; and
- (viii) the independent non-executive Directors of the Company would continue to review the management's quarterly review reports on the transactions contemplated under the respective CCT Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We have reviewed the internal control manual and randomly selected 3 samples of historical documents and records maintained by the Group for walkthrough purpose to understand the abovementioned internal control measures adopted in the continuing connected transactions of the Group. Among which, we observed that the Group's personnel with appropriate level of authorities are involved in the approval and/or review process in relation to the continuing connected transactions. As discussed with management, we noted that the Group will go through the review process when a new purchase order is placed or new contract is entered into with connected persons. We also noted that the auditor of the Company has issued unqualified letter in respect of its review on the continuing connected transactions for the year ended 31 December 2022.

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Whilst our scope of work as an independent financial adviser does not include a review of the effectiveness of the internal control measures of the Group, we are of the view that based on our work described above and taking into account the aforementioned reporting requirements attached to the transactions contemplated under the Framework Agreements, in particular, (i) the assignment of general manager of the business department and finance department to monitor the continuing connected transactions; (ii) the restriction of the transaction amounts by way of the Framework Agreements and the respective proposed annual caps; and (iii) the on-going review by the independent non-executive Directors and external auditors of the Company of the continuing connected transactions, we are of the view that there exist appropriate and effective measures to monitor the conduct of the continuing connected transactions contemplated under the Framework Agreements so as to ensure that the proposed annual caps would not be exceeded, the transactions are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole, and thus, the interests of the Independent Shareholders is safeguarded.

OPINION AND RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the view that (i) the transactions contemplated under the Framework Agreements are in the ordinary and usual course of business of the Company; (ii) the terms of the Framework Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (iii) the entering into of the Framework Agreements is in the interests of the Company and the Shareholders as a whole; and (iv) the proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the relevant resolutions to be proposed at the EGM to approve (i) the 2024 Master Commercial Operational and Related Services Agreement; (ii) the 2024 Master Property Management and Related Services Agreement; and (iii) the 2024 Centralized Supply Chain Service Framework Agreement, and the proposed annual caps thereof.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Wallace Cheung
Managing Director

Mr. Wallace Cheung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Mesis Capital Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 13 years of experience in the corporate finance industry.

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 misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS

(a) Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors, nor the chief executive of the Company had an interest or short position 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 (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer.

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Ms. Wu Min ⁽²⁾	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Ms. Chen Jing ⁽²⁾	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%
Mr. Jiang Mengjun ⁽²⁾	Beneficiary of a discretionary trust and interest in controlled corporation	40,848,000 (L)	5.02%

Notes:

1. The letter “L” denotes the person’s long position in the Shares.
2. Mr. Zhang Minggui is the settlor of the Employee Benefit Trust, a discretionary trust for the benefit of New Charm Development Limited (“**New Charm**”), New Mistry Development Limited (“**New Mistry**”) and New Conception Development Limited (“**New Conception**”) with TMF Trust (HK) Limited as the trustee. Each of New Charm, New Mistry and New Conception is wholly owned by Ms. Wu Min, Ms. Chen Jing and Mr. Jiang Mengjun, respectively, for the purpose of investment holdings. Accordingly, each of Ms. Chen Jing, Ms. Wu Min and Mr. Jiang Mengjun is deemed to be interested under the SFO in the Shares held by the Employee Benefit Trust in their respective capacity as the beneficiary of the Employee Benefit Trust and as a Director.

3. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder.

4. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had entered into any service contract or letter of appointment with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. DIRECTORS’ INTERESTS IN ASSETS AND CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited financial statements of the Company were made up.

7. QUALIFICATION OF EXPERT AND CONSENT

The following expert's statements were issued on the date of this circular and were made for incorporation or reference (as the case may be) in this circular.

The qualification of the expert who has given an opinion or advice in this circular is as follow:

Name	Qualification
Messis Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

As at the Latest Practicable Date, MESSIS Capital Limited did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2022, being the date to which the latest published audited financial statements of the Group was made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the date of this circular, MESSIS Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

8. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be available on display online on the Stock Exchange's website and on the Company's website from the date of this circular up to and including the date of the EGM:

- (a) the 2024 Master Commercial Operational and Related Services Agreement;
- (b) the 2024 Master Property Management and Related Services Agreement;
- (c) the 2024 Centralized Supply Chain Service Framework Agreement; and
- (d) the written consent referred to in the paragraph headed "7. Qualifications of Expert and Consent" in this Appendix.

NOTICE OF EGM

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



New Hope Service Holdings Limited

新希望服務控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3658)

NOTICE OF EXTRAORDINARY GENERAL MEETING TO BE HELD ON 19 MARCH 2024

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “EGM”) of New Hope Service Holdings Limited (the “Company”) will be convened and held at 16/F, Building 2, New Hope Zhongding International, No. 366 Jinshi Road, Jinjiang District, Chengdu, Sichuan, China on Tuesday, 19 March 2024 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the resolutions set out below as ordinary resolutions of the Company. Unless the context requires otherwise, capitalised terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 29 February 2024.

ORDINARY RESOLUTIONS

1. **“THAT**

the 2024 Master Commercial Operational and Related Services Agreement, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

the proposed annual caps under the 2024 Master Commercial Operational and Related Services Agreement as set out in the circular of the Company dated 15 December 2023 be and is hereby approved, confirmed and ratified; and

any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the 2024 Master Commercial Operational and Related Services Agreement.”

NOTICE OF EGM

2. **“THAT**

the 2024 Master Property Management and Related Services Agreement, a copy of which is tabled at the meeting and marked “B” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

the proposed annual caps under the 2024 Master Property Management and Related Services Agreement as set out in the circular of the Company dated 15 December 2023 be and is hereby approved, confirmed and ratified; and

any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the 2024 Master Property Management and Related Services Agreement.”

3. **“THAT**

the 2024 Centralized Supply Chain Service Framework Agreement, a copy of which is tabled at the meeting and marked “C” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;

the proposed annual caps under the 2024 Centralized Supply Chain Service Framework Agreement as set out in the circular of the Company dated 15 December 2023 be and is hereby approved, confirmed and ratified; and

any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the 2024 Centralized Supply Chain Service Framework Agreement.”

By Order of the Board
New Hope Service Holdings Limited
Jiang Mengjun
Chairman

Hong Kong, 29 February 2024

Notes:

1. The resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.newhopeservice.com.cn) in accordance with the Listing Rules.

NOTICE OF EGM

2. All shareholders of the Company are eligible for attending the EGM. Any shareholder of the Company entitled to attend and vote at the EGM convened by the above notice is entitled to appoint a proxy or more than one proxy to attend the EGM and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the proxy form. Every shareholder of the Company present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, a form of proxy must be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, 17M, 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 above meeting (i.e. before 2:00 p.m. on Sunday, 17 March 2024) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 15 March 2024 to Tuesday, 19 March 2024 (both dates inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, shareholders of the Company whose transfer documents have not been registered are required to submit the share certificates together with the properly completed share transfer forms to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 14 March 2024 for registration.
5. The instrument appointing the proxy must be in writing and signed by the appointor or his/her attorney duly authorised in writing, or if the appointer is a legal person, either under a legal person's seal or signed by its director or an attorney duly authorised in writing.
6. The EGM (or any adjournment thereof) is expected to take no more than half a day. Shareholders of the Company or their proxies attending the EGM (or any adjournment thereof) shall bear their own travelling and accommodation expenses.

As at the date of this notice, the Board comprises Ms. Wu Min (Co-chairman of the Board) and Ms. Chen Jing as executive Directors, Mr. Jiang Mengjun (Chairman of the Board), Mr. Dong Li, Mr. Liu Xu and Ms. Zhang Wei as non-executive Directors and Mr. Cao Qilin, Mr. Kong Chi Mo and Mr. Li Zhengguo as independent non-executive Directors.