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

If you have sold or transferred all your shares in Jinke Smart Services Group Co., Ltd., 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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JINKE 金科服务

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Jinke Smart Services Group Co., Ltd.
金科智慧服务集团股份有限公司

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

(Stock Code: 9666)

**(I) CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS,
VARIATION OF TERMS TO THE EXISTING CCT AGREEMENTS;
AND
(II) DISCLOSEABLE AND CONNECTED TRANSACTION
DEBT SETTLEMENT AGREEMENT
AND
NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING**

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



红日资本有限公司
RED SUN CAPITAL LIMITED

Capitalised terms used on this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A notice convening the EGM to be held at Building A4, East Zone, Jinke Shiniancheng, No. 480, Panxi Road, Shimahe Street, Jiangbei District, Chongqing, the PRC on Thursday, 18 April 2024 at 3:00 p.m. is set out on pages 132 to 134 of this circular. A proxy form for use at the EGM is also enclosed in this circular. Such proxy form for use at the EGM is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jinkeservice.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish.

27 March 2024

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DEFINITIONS

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

“2021 Framework Marketing Service Agreement”	the framework marketing service agreement entered into between the Company and Jinke Property on 25 November 2021, and as amended by the first supplemental agreement to the framework marketing service agreement on 10 December 2021
“2022 Master Property Management Services Agreement”	the master property management services agreement entered into between the Company and Jinke Property on 29 July 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	Jinke Smart Services Group Co., Ltd. (金科智慧服務集團股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9666)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Debt Settlement”	the settlement of the Receivables by acquiring the Offset Assets as contemplated under the Debt Settlement Agreement
“Debt Settlement Agreement”	the debt settlement agreement dated 29 December 2023 entered into between the Company and Jinke Property
“Debt Settlement Announcement”	the announcement of the Company dated 2 January 2024 in relation to the Debt Settlement Agreement
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the forthcoming 2024 first extraordinary general meeting of the Company to be held and convened at Building A4, East Zone, Jinke Shiniancheng, No. 480, Panxi Road, Shimahe Street, Jiangbei District, Chongqing, the PRC on Thursday, 18 April 2024 at 3:00 p.m. to consider and, if thought fit, approve the Supplemental CCT Agreements, Debt Settlement Agreement and the transactions respectively contemplated thereunder, or any adjournment thereof
“Existing CCT Agreement(s)”	collectively (i) 2021 Framework Marketing Service Agreement; and (ii) 2022 Master Property Management Services Agreement, and each the “Existing CCT Agreement”
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 the independent non-executive Directors, namely Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric, to advise the Independent Shareholders in respect of the continuing connected transactions under the Supplemental CCT Agreements, Debt Settlement Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), and appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions under the Supplemental CCT Agreements, the Debt Settlement Agreement and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	Shareholders who do not have a material interest in the Supplemental CCT Agreements and Debt Settlement Agreement
“Jinke Property”	金科地產集團股份有限公司(Jinke Property Group Co., Ltd.*), a joint stock company established in the PRC with limited liability, listed on the Shenzhen Stock Exchange (stock code: 000656.SZ)
“Jinke Property Group”	Jinke Property and its subsidiaries and associates (but excluding the Group)
“Latest Practicable Date”	21 March 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Naming Period”	a one-time free right granted by the Jinke Property Group to the Group to request any party designated by the Company to be named as the registered owner of the offset assets within one year commencing from the effective date of the property transfer agreement
“Offset Asset(s)”	the 10,662 parking spaces to be acquired by the Group under the Debt Settlement Agreement
“Receivables”	the outstanding receivables due from Jinke Property Group arising from the 2021 Framework Marketing Service Agreement as at the Latest Practicable Date, being RMB532,710,768.53 (disregarding the effect of Debt Settlement)
“Revised Annual Caps”	the revised annual caps under the Supplemental Agreement to the 2022 Master Property Management Services Agreement for the two years ending 31 December 2025
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement”	the second supplemental agreement dated 15 December 2023 and entered into between the Company and Jinke Property, which amended and supplemented the 2021 Framework Marketing Service Agreement
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, comprising the H Shares only
“Shareholder(s)”	holder(s) of Share(s)
“Specific Agreement(s)”	the specific individual agreement(s) that may be entered into between members of the Group and members of the Jinke Property Group in accordance with the principles and terms of each of the Existing CCT Agreements
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement to the 2022 Master Property Management Services Agreement”	the supplemental agreement dated 15 December 2023 and entered into between the Company and Jinke Property, which amended and supplemented the 2022 Master Property Management Services Agreement
“Supplemental CCT Agreements”	collectively, (i) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement, and (ii) the Supplemental Agreement to the 2022 Master Property Management Services Agreement
“%”	per cent.

* *for identification purposes only*

LETTER FROM THE BOARD

JINKE 金科服务

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Jinke Smart Services Group Co., Ltd.
金科智慧服务集团股份有限公司

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

(Stock Code: 9666)

Executive Director:

Mr. Xia Shaofei (*Chairman*)

Non-executive Directors:

Mr. Xu Guofu

Mr. Wu Xiaoli

Ms. Lin Ke

Mr. Shi Cheng

Mr. Qi Shihao

Independent Non-executive Directors:

Ms. Yuan Lin

Ms. Xiao Huilin

Mr. Tung Woon Cheung Eric

Headquarters in the PRC:

Building A4

East Zone

Jinke Shiniancheng

No. 480, Panxi Road

Shimahe Street

Jiangbei District

Chongqing, the PRC

Registered office in the PRC:

No. 1 affiliated to 484 Panxi Road

Shima River Street

Jiangbei District

Chongqing, PRC

Principal place of business in Hong Kong:

40th Floor

Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

27 March 2024

To the Shareholders

Dear Sir/Madam,

**(I) CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS,
VARIATION OF TERMS TO THE EXISTING CCT AGREEMENTS;
AND
(II) DISCLOSEABLE AND CONNECTED TRANSACTION
DEBT SETTLEMENT AGREEMENT
AND
NOTICE OF THE 2024 FIRST EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 15 December 2023 and 2 January 2024 in relation to, among others, (i) the Supplemental Agreement to the 2022 Master Property Management Services Agreement with Jinke Property for the Revised Annual Caps; (ii) the Supplemental CCT Agreements with Jinke Property to vary the payment terms under each of the Existing CCT Agreements; and (iii) the Debt Settlement Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with (i) further details of the Supplemental CCT Agreements and the Debt Settlement Agreement; (ii) the detailed list of the Offset Assets and the valuation report on the Offset Assets selected by the Company; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding its advice on the terms of the Debt Settlement Agreement; (iv) the recommendations from the Independent Board Committee to the Independent Shareholders; and (v) a notice of the EGM.

SUMMARY OF THE EXISTING CCT AGREEMENTS

Details of each of the Existing CCT Agreements and the respective historical amounts relevant to the transactions contemplated therein are as follows. For full details of the Existing CCT Agreements, please refer to the circulars of the Company dated 10 December 2021 and 31 July 2022, and the announcements of the Company dated 25 November 2021, 10 December 2021 and 29 July 2022.

The 2021 Framework Marketing Service Agreement

Date:	25 November 2021 (as supplemented on 10 December 2021)
Parties:	(i) the Company; and (ii) Jinke Property.
Scope of service:	Marketing services in respect of the sales of residential properties and car parking spaces by the Jinke Property Group in their development projects to be provided by the Group to the Jinke Property Group, including (i) marketing referral activities through the utilization of the community resources and other sales channel of the Group including customers' referrals; and (ii) other marketing related advertising services, including brand image promotion, event promotion, customers' information collection and related installation and maintenance services.
Term:	Commencing from 28 December 2021 and ending on 31 December 2023 (both days inclusive).
Pricing and other terms:	The parties to the 2021 Framework Marketing Service Agreement have agreed as follows: (i) the parties shall enter into Specific Agreements which will set out the necessary terms and conditions for the relevant transactions contemplated under the 2021 Framework Marketing Service Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms; and

LETTER FROM THE BOARD

- (ii) the Specific Agreements shall conform with the principles and provisions set out in the 2021 Framework Marketing Service Agreement.

As the 2021 Framework Marketing Service Agreement is merely framework agreement, there is no specific payment term contemplated thereunder. The payment terms shall be negotiated and agreed after arm's length negotiations on normal commercial terms and set out in the Specific Agreements.

Annual caps:

Pursuant to the 2021 Framework Marketing Service Agreement, the annual caps for the transactions contemplated thereunder for the month ended 31 December 2021 and the two years ending 31 December 2023 for the provision of marketing services are expected not to exceed the following:

	For the month ended 31 December 2021 RMB (in millions)	For the year ended 31 December 2022 RMB (in millions)	For the year ending 31 December 2023 RMB (in millions)
Annual caps	150	900	1,200

The proposed annual caps for the transactions contemplated under the 2021 Framework Marketing Service Agreement were determined after considering the following factors:

- (i) no historical amounts are available as the Group has not entered into any transactions in respect of the provision of marketing services for the sales of residential properties and car parking spaces to the Jinke Property Group prior to entering into the 2021 Framework Marketing Service Agreement;
- (ii) the number of potential customers readily to be referred by the Group to the Jinke Property Group to acquire the saleable properties units developed by the Jinke Property Group prior to 31 December 2021 and the expected number of saleable property units developed by the Jinke Property Group which require the Group's referral services and which is estimated to be 4,200 units for the month ended 31 December 2021;

LETTER FROM THE BOARD

- (iii) the expected number of projects under the management of the Group to be engaged to provide marketing related advertising services for the Jinke Property Group, which is estimated to be over 800 projects for the month ended 31 December 2021, over 900 projects for the year ended 31 December 2022 and over 1,000 projects for the year ending 31 December 2023, estimated with reference to the existing 788 projects under management by the Group as at 30 June 2021;
- (iv) the expected number of saleable property units developed by the Jinke Property Group according to its future business plan and the historical growth trend of Jinke Property Group which require the Group's referral services and which is estimated to be 24,000 units for the year ended 31 December 2022 and 30,000 units for the year ending 31 December 2023;
- (v) the service fee to be charged for each project or saleable property unit by the Group for the provision of such services, which is determined with reference to the prevailing market condition (taking into consideration the location of the property) and the price charged by the Group when providing similar services to the independent third parties; and
- (vi) the level of difficulty of sales and advertisement of the residential properties and car parking spaces by the Group with reference to the locations of the development projects of the Jinke Property Group involved, and the occupancy rate of the development projects.

Historical amounts: For the month ended 31 December 2021, the year ended 31 December 2022 and the six months ended 30 June 2023, the fee payable by the Jinke Property to the Group amounted to approximately RMB149 million, RMB552.7 million, and RMB15.8 million.

As disclosed in the announcement of the Company dated 22 September 2023, a refundable deposit of approximately RMB382.8 million has been paid by the Group to the Jinke Property Group under the individual agreements to the 2021 Framework Marketing Service Agreement. The transactions under the 2021 Framework Marketing Service Agreement were conducted under a deposit-linked model where the Group shall pay a refundable deposit to the Jinke Property Group to secure its due performance under the individual agreements and in return for the Jinke Property Group to grant an exclusive marketing right to the Group as its sole and exclusive agent to lock up certain target properties for marketing services.

LETTER FROM THE BOARD

The 2022 Master Property Management Services Agreement

Date: 29 July 2022

Parties: (i) the Company; and
(ii) Jinke Property.

Scope of service: The Group has agreed to provide to the Jinke Property Group certain property management services, including (i) property pre-delivery and after-sales services, including but not limited to (a) preliminary planning and design consultancy services; (b) management services for the display units and onsite sales office; (c) house inspection; (d) pre-delivery clean services; (e) pre-delivery preparation; and (f) after-sales repair and maintenance services; (ii) property management services for the properties owned or used by the Jinke Property Group, including the unsold residential property units, car parking lots, office buildings and commercial properties; and (iii) other related services.

Term: Commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive).

Pricing and other terms: The fees to be charged for the property management services under the 2022 Master Property Management Services Agreement shall be determined on arm's length basis with reference to the pricing policy set out in the paragraph headed "Pricing Policy" below.

The parties to the 2022 Master Property Management Services Agreement have also agreed as follows:

- (i) the parties shall enter into Specific Agreements which will set out the necessary terms and conditions for the relevant transactions contemplated under the 2022 Master Property Management Services Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms; and
- (ii) the Specific Agreements shall conform with the principles and provisions set out in the 2022 Master Property Management Services Agreement. As the 2022 Master Property Management Services Agreement is merely framework agreement, there is no specific payment term contemplated thereunder. The payment terms shall be negotiated and agreed after arm's length negotiations on normal commercial terms and set out in the Specific Agreements.

LETTER FROM THE BOARD

Annual caps:

The annual caps for the transactions contemplated under the 2022 Master Property Management Services Agreement for the three years ending 31 December 2025 are expected not to exceed the following:

	2023	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
	<i>(in millions)</i>	<i>(in millions)</i>	<i>(in millions)</i>
Annual caps	800	800	800

In arriving at the above annual caps, the Directors have considered the following reasonable factors:

- (i) the historical transaction amounts under the 2022 Master Property Management Services Agreement;
- (ii) the estimated project number for display units and sales offices to be managed by the Group for the year ending 31 December 2023 of approximately 110 based on the estimated gross floor area of the properties to be pre-sold by the Jinke Property Group for the year ending 31 December 2023 of approximately 10 million square metres;
- (iii) the estimated gross floor area sold and to be delivered by the Jinke Property Group for the year ending 31 December 2023 of approximately 12 million square metres, for which the Group will be engaged to provide pre-delivery and aftersales services;
- (iv) the estimated gross floor area of properties owned and occupied by the Jinke Property Group for the year ending 31 December 2023 of approximately 7 million square metres, for which the Group will be engaged to provide property management services;
- (v) the estimated number of car parking lots owned and occupied by the Jinke Property Group for the year ending 31 December 2023 of approximately 100,000, for which the Group will be engaged to provide property management services;
- (vi) the estimated transaction amount for the year ending 31 December 2023 calculated based on the above factors and the pricing policy as more particularised in the section headed “Pricing Policy” below; and

LETTER FROM THE BOARD

- (vii) an assumption that the gross floor area of the properties to be delivered or pre-sold by the Jinke Property Group and its associates will remain stable for the two years ending 31 December 2025.

Historical annual caps and transaction amounts: For the two years ended 31 December 2021 and 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the 2022 Master Property Management Services Agreement amounted to approximately RMB914.6 million, RMB426.4 million and RMB60.8 million, respectively.

There is no earnest money payment or deposit arrangement under the 2022 Master Property Management Services Agreement and the ancillary individual agreements.

THE SUPPLEMENTAL CCT AGREEMENTS

(1) Revised Annual Caps under the Supplemental Agreement to the 2022 Master Property Management Services Agreement

The Company proposed to revise the existing annual caps for the continuing connected transactions in connection with the 2022 Master Property Management Services Agreement for the two years ending 31 December 2025 as follows:

Revised Annual Caps

	For the year ending 31 December 2024 RMB (in millions)	For the year ending 31 December 2025 RMB (in millions)
Existing Annual Caps	800	800
Revised Annual Caps	200	200

Basis of determination of the Revised Annual Caps

The above Revised Annual Caps is determined mainly by considering the following factors:

- (i) the historical transaction amounts under the 2022 Master Property Management Services Agreement for the six months ended 30 June 2023;

LETTER FROM THE BOARD

- (ii) the macroeconomic development and the macro-control policies for the real estate sector in the PRC, specifically the policy to guarantee delivery of buildings and the deteriorated liquidity crisis of PRC's real estate sector;
- (iii) the Group's adjustment of its operational strategies to prioritize maintaining healthy cash flow and attaching great importance to recovering receivables due from Jinke Property Group, while proactively minimizing services offered to Jinke Property Group which may not guarantee repayment;
- (iv) the impacts of downward development in the real estate sector in causing periodic pressure on the capital liquidity of Jinke Property Group. Since Jinke Property disclosed its public debt default on 28 December 2022, the primary operational priority of Jinke Property Group is to guarantee the delivery of buildings, which would render a longer period for the Group to recover receivables due from Jinke Property Group, and the Group expects the situation will not improve in the short term;
- (v) in light of the continuous slowdown of the sales in the PRC's real estate market, the transaction amount of new home sales by the Jinke Property Group for the six months ended 30 June 2023 was approximately RMB17.5 billion, representing a decrease of approximately 58.0% from the same period of last year. The decrease in new home sales caused a corresponding decrease in the demand of sales assistance services. As at 30 June 2023, the Group provided services to 42 projects for display units and sales offices of the Jinke Property Group, which was a substantial decrease of approximately 80.3% when compared to the 214 projects for display units and sales offices managed by the Group as at 30 June 2022. The Group expects the demand of sales assistance services will continue to decrease;
- (vi) constrained by Jinke Property Group's cash flow issue, the gross floor area of the new property construction projects by Jinke Property Group for the six months ended 30 June 2023 was approximately 0.2 million sq.m., which was a substantial decrease from the same period of last year. The demand for pre-delivery and after-sales services therefore decreased substantially;
- (vii) as at 30 June 2023, the total gross floor area of properties owned by the Jinke Property Group for sale was approximately 52.7 million sq.m.. If the cash flow of the Jinke Property Group would be improved in the future, the demand for property management services and value-added services to non-property owners are expected to increase gradually;

LETTER FROM THE BOARD

- (viii) in respect of the property management services such as property management and parking space management, the entire community and parking lots are the service targets as a whole as there is no differentiation between the Jinke Property Group and other third parties. The relevant service fees will therefore continue to incur;
- (ix) the estimated transaction amount for the year ending 31 December 2025 calculated based on the above factors and the pricing policy as more particularised in the section headed “Pricing Policy” below; and
- (x) an assumption that the gross floor area of the properties to be delivered or pre-sold by the Jinke Property Group and its associates will remain stable for the two years ending 31 December 2025.

(2) Variation to payment terms under the Supplemental CCT Agreements

According to the terms of the specific agreement entered into pursuant to the Existing CCT Agreements, the service fee in general shall be payable by Jinke Property Group in cash and settled, in respect of property management services, upon completion of service project (such as display units and sale offices) or on quarterly basis for unsold units; and in respect of marketing services, upon the successful sales of the target properties. The general credit period is usually 3 to 15 business days.

Pursuant to each of the Supplemental CCT Agreements, the Company and Jinke Property agreed to the following mechanism as an additional means to settle the fees due and payable by the Jinke Property Group to the Group under each of the Existing CCT Agreements:

- (i) in the event the Jinke Property Group is unable to pay any outstanding payables, the Group may elect to accept assets from the Jinke Property Group’s unsold property assets (including but not limited to office buildings, shops, commercial housing and car parking lots) in the same value as the outstanding payables as settlement of outstanding payables. The list of such offset assets shall be finalised and confirmed by the Company and Jinke Property;
- (ii) if the Group elects to accept such offset assets to settle outstanding payables, the Group and the Jinke Property Group shall enter into the property offset agreement (抵房協議), under which the Group will obtain the property right or the use right of the offset assets to offset against the outstanding payables;
- (iii) the Group and the Jinke Property Group shall enter into the property transfer agreement (搭房協議), under which the Jinke Property Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the offset assets within one year commencing from the effective date of the property transfer agreement; and

LETTER FROM THE BOARD

- (iv) the Jinke Property Group agreed that during the Naming Period, the Group may request to exchange any offset asset in the property transfer agreement for one or more other property asset(s) held by the Jinke Property Group of equal value, including but not limited to office buildings, shops, commercial housing and car parking lots.

The effectiveness of the Supplemental CCT Agreements is subject to the approval by the Independent Shareholders at the EGM.

Save for the above revision in the Supplemental CCT Agreements, all other terms of the Existing CCT Agreements shall remain valid and in full force and effect.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL CCT AGREEMENTS

The Company continues to monitor the historical transaction amounts in connection with Existing CCT Agreements and the risk of not being able to recover receivables due with reference to the latest operating conditions of the Jinke Property Group. The Revised Annual Caps under the Supplemental Agreement to the 2022 Master Property Management Services Agreement which reflects the downward trend in the cooperation with the Jinke Property Group, could control business risks of the inability to recover receivables due in light of the macroeconomic development and the macro-control policies for the real estate sector in the PRC.

As at the Latest Practicable Date, disregarding the effect of Debt Settlement, the outstanding receivables due from Jinke Property arising from the 2021 Framework Marketing Service Agreement and the 2022 Master Property Management Services Agreement are RMB532,710,768.53 and RMB549,949,452.62 respectively, which are overdue and have exceeded the relevant credit period. The proposed variation of payment terms set out in the Supplemental CCT Agreements allows the Group to have greater flexibility in recovering receivables from the Jinke Property Group. The Group will transfer the offset assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the offset assets to third-parties for cash.

In considering the entering into of the Supplemental CCT Agreements, the Board considered that (i) the Company's provision for impairment of trade and bill receivables increased from RMB78.2 million as at 31 December 2021 to RMB1,046.5 million as at 31 December 2022 due to a substantial decline in collectable receivables as a result of continued downturn in the real estate market and downward pressure on the economy and the COVID-19 pandemic during the year of 2022; (ii) the Company's net cash inflow from operating activities recorded a decrease of approximately 11.7% as compared to that of the same period in 2021 which was mainly attributable to a slower collection of proceeds due to tight cash flow from property developers; (iii) the realization, pledge or leasing of the offset assets by the Company could improve the cashflow of the Company; and (iv) the Company is empowered to select the preferred offset assets with value determined by an independent and qualified valuer using market approach to settle the outstanding payables on a dollar-to-dollar basis.

LETTER FROM THE BOARD

In considering whether Jinke Property is unable to pay any outstanding payables, the Company will consider whether (i) there is evidence suggesting that Jinke Property has defaulted on its debts in the public market; (ii) Jinke Property has failed and/or refused to settle any outstanding payables after written reminder has been served by the Company to Jinke Property; and (iii) Jinke Property is involved in, or likely to be involved in, material litigation or is undertaking a corporate restructuring which may adversely affect the recoverability of any of the outstanding payables. Despite of the proposed variation of payment terms set out in the Supplemental CCT Agreements, the cash settlement remains to be the Company's preference to settle the outstanding payables. However, in the event that the Company has determined that Jinke Property is unable to pay any of the outstanding payables due to the circumstances set out above, the Company will have to accept the offset assets to minimize the loss suffered and reduce the provision for impairment of trade and bill receivables. The Company has no intention to accept the offset assets as a general settlement mechanism for future transactions with Jinke Property. The Company will consider the following factors in selecting the offset assets: (i) the offset assets should be under the management of the Group; (ii) the offset assets must be free of encumbrance and are owned by Jinke Property Group; and (iii) the offset assets should be part of a property project with resident occupancy rate of more than 50%. As at the Latest Practicable Date, the Company considers that the payment ability of Jinke Property Group are currently restrained for paying the outstanding payables. In order to avoid accumulation of overdue payment from Jinke Property Group, the Group commenced to provide limited property management services to Jinke Property Group since the beginning of 2023. To this end, the Company will conduct financial due diligence to ascertain the payment ability of the relevant member of Jinke Property Group and will only provide services to those who has a sound financial status or has agreed to accept upfront payment arrangement. Based on the management account for the six months ended 30 June 2023 of the Group, the actual transactions under the 2022 Master Property Management Services Agreement amounted to approximately RMB60.8 million only.

As at the Latest Practicable Date, the Company does not intend to renew the 2021 Framework Marketing Service Agreement since its expiry on 31 December 2023. With continuous efforts, the Group had finally reached an agreement with Jinke Property on 29 December 2023 to offset the outstanding balance of not exceeding RMB532,710,768.53 in total, details of which have been disclosed in the announcement of the Company dated 2 January 2024. As at the Latest Practicable Date, the Company has prepared a detailed list of the offset assets and settled RMB398,298,749.61 among the RMB532,710,768.53 arising from the 2021 Framework Marketing Service Agreement (including the refundable deposit of approximately RMB382.8 million) after obtaining independent shareholders' approval, and a valuation report prepared in accordance with the requirements in Chapter 5 of the Listing Rules are set out as appendix II of this circular.

The Group possesses industry-leading capabilities in real estate management and operation. The Group will continue to identify, among the owners and tenants of the properties managed by the Group or in open market, suitable third parties for the sales or leases of the offset assets. The Group believes that such transactions are not only conducive to enhancing our ability in providing community value-added services, but would also improve the Group's revenue, both of which are in line with the Group's interests in the long term. Despite of the

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fact that it may take time to realize the offset assets, the Company confirms it currently has sufficient cash or cash equivalent to meet its daily operation requirement and will continue to generate cash from its operation as most of the gross floor area under management of the Group are attributable to the independent third parties. The Company will comply with all the requirements under Chapter 14 and 14A of the Listing Rules (including circular and independent shareholders' approval) when it elects to accept such offset assets to settle outstanding payables.

The Board considers that the entering of the Supplemental CCT Agreements is in the Group's ordinary course of business, and the terms of the Supplemental CCT Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PRICING POLICY

The value of the relevant offset assets shall be determined jointly by the Company and Jinke Property at the time of the signing of the property transfer agreement after arm's length negotiation and with reference to (i) the valuation report of the offset assets to be prepared by an independent valuer who shall adopt the market approach; and (ii) the prices of the offset assets which will be determined in accordance with the judicial enforcement procedures in the event that there is any dispute between the Company and Jinke Property regarding the settlement of outstanding payables and the two parties decide to resolve such dispute through litigation. Such valuation principles are also applicable to the Company's request to exchange offset assets for one or more other property asset(s) held by the Jinke Property Group of equal value.

As a general principle, the prices and/or fees to be charged by the Group under the Existing CCT Agreements will be determined in accordance with the following pricing principles:

in respect of the 2021 Framework Marketing Service Agreement

- (i) where there are prices prescribed by the PRC government in relation to the marketing services, such government prescribed prices shall apply to the services provided by the Group. Where there are available or applicable government guiding price standards, the prices charged by the Group shall be within the scope of the government guided prices;
- (ii) where no government-prescribed prices or guiding prices are available or applicable, the price shall be based on the market price of comparable services and the price offered by the Group to the independent third parties for comparable services; and
- (iii) prevailing market price for the similar services for the similar type of properties with similar area and quality in the vicinity generally offered by other independent service providers.

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As at the Latest Practicable Date, and to the best knowledge, understanding and belief of the Directors, none of the services provided under the 2021 Framework Marketing Service Agreement is subject to any applicable government-prescribed prices or government-guided prices.

In determining the service prices chargeable and terms under the Specific Agreement, the prices and terms offered by the Jinke Property Group will be reviewed and evaluated by the relevant personnel of the finance department and the management of the Group and to be compared against the prices obtained through the monthly regular price research conducted by the Group from the historical transaction with the independent third party(ies). Where the prices and terms of an offer from the Jinke Property Group are not less favorable to the Group than those offered by other independent third party(ies), the Group may enter into Specific Agreement to provide the relevant services to the Jinke Property Group. The Group will keep negotiating with Jinke Property Group to ensure the prices and terms of an offer from the Jinke Property Group are no less favorable to the Group than those available from independent third party(ies) before entering into Specific Agreement.

in respect of the 2022 Master Property Management Services Agreement

- (i) for property pre-delivery and after-sales services other than management services for the display units and on-site sales office, the Group would charge the Jinke Property Group at a price determined with reference to:
 - (a) the Group's other contemporaneous transactions of similar services (in terms of the scope and requirement of services, the size and condition of projects, and level of difficulty of planning and design, etc.) carried out with independent third parties; and
 - (b) prices charged by other property management companies in the PRC of comparable transactions with independent third parties (if available);
- (ii) for management services for the display units and on-site sales office, the Group would charge the Jinke Property Group at a price determined with reference to:
 - (a) the anticipated operation costs (including but not limited to labor costs, administration costs and costs of materials) to be incurred by the Group to provide such management services plus a reasonable profit margin rate of around 10% in accordance with the standard pricing terms maintained by the Group; and
 - (b) the Group's other contemporaneous transactions of similar management services carried out with independent third parties;

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- (iii) for property management services for the properties owned or used by the Jinke Property Group, the Group would charge the Jinke Property Group at a fixed unit price per square meter or fixed amount per number determined with reference to:
 - (a) the Group's other contemporaneous transactions of similar services (in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) carried out with independent third parties;
 - (b) prices charged by other property management companies in the PRC of comparable transactions with independent third parties; and
 - (c) government-prescribed prices or guiding prices (if any) promulgated by the PRC government.

As at the Latest Practicable Date, and to the best knowledge, understanding and belief of the Directors, property management services for the properties owned or used by the Jinke Property Group in certain cities may be subject to 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 prices as mentioned in paragraph (iii)(a) and (iii)(b) above, the Group may charge such market prices subject to the registration with relevant local government authorities.

In determining the service prices chargeable and terms under the Specific Agreements, the prices and terms offered by the Jinke Property Group will be reviewed and evaluated by the relevant personnel of the finance department and the management of the Group and will be compared against the prices obtained through the monthly regular price research conducted by the Group based on historical transactions with independent third party(ies). Where the prices and terms of an offer from the Jinke Property Group are no less favorable to the Group than those offered by other independent third party(ies), the Group may enter into such Specific Agreement to provide the relevant services to the Jinke Property Group.

To this end, the business department of the Group will obtain at least three transactions for reference, and the heads of relevant operating departments, the chief financial officer of the Group, the executive Directors and chairman of the Board will review and approve the offer from the Jinke Property Group to ensure that the terms of the offer reflect the prevailing market conditions.

The Group will keep negotiating with the Jinke Property Group to ensure that the prices and terms of an offer from the Jinke Property Group are no less favorable to the Group than those available from independent third party(ies) before entering into each Specific Agreement.

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The Directors consider that the above relevant procedures conducted by the Group in determining the service prices chargeable and terms under the Specific Agreement can ensure the transactions contemplated under the Existing CCT Agreements will be conducted on normal commercial terms and not prejudicial to the interest of the Company and Shareholders.

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 Existing CCT Agreements and the Supplemental CCT Agreements, the pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group in charge to ensure the relevant continuing connected transaction is conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole.

The relevant personnel and management of the Group will review and assess the terms before entering into the Specific Agreements to ensure they are consistent with the principles and provisions set out respectively in the Existing CCT Agreements and the Supplemental CCT Agreements.

The finance department of the Company will closely monitor the aggregate transaction amounts and notify the management if the aggregate transaction amounts come close to 80% of the annual caps. Regular checks will be conducted on an annual basis to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with the terms of the respective agreements and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

The independent non-executive Directors will continue to review the management's annual review reports on the transactions contemplated under the relevant continuing connected transactions and the auditors of the Company will also conduct an annual review on the pricing terms and annual cap thereof.

Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under each of the Existing CCT Agreements and the Supplemental CCT Agreements have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

DEBT SETTLEMENT AGREEMENT

As at the Latest Practicable Date, the receivables due from Jinke Property Group arising from the 2021 Framework Marketing Service Agreement is RMB532,710,768.53 (disregarding the effect of Debt Settlement) in total which includes the refundable deposits of approximately RMB382.8 million paid under the individual agreements to the 2021 Framework Marketing Service Agreement. Having considered that Jinke Property is primarily obliged to fulfill the

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“Guaranteed Delivery”, in order to fulfillment of the “Guaranteed Delivery” by Jinke Property, and the reasons and benefits disclosed in the paragraphs headed “Reasons for and Benefits of the Debt Settlement Agreement” below, on 29 December 2023 (after trading hours), subject to the approval of Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement by the Independent Shareholders pursuant to requirements of the Listing Rules, the Company entered into the Debt Settlement Agreement with Jinke Property. Pursuant to the Debt Settlement Agreement, the Company and Jinke Property intends to settle the Receivables under the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement through coordinating the members of Jinke Property Group to provide cash or assets (namely the car parking spaces owned by it) to offset the Receivables. If the Company and such member choose assets to offset the Receivables, Jinke Property shall produce the lists of the parking spaces available for offsetting the Receivables, and the Company is entitled to select the parking spaces listed on the list to offset the amounts not exceeding the Receivables arising from the 2021 Framework Marketing Service Agreement on a dollar-for-dollar basis. The principal terms of the Debt Settlement Agreement are set out below:

Date

29 December 2023

Parties

The Company (on behalf of members of the Group); and

Jinke Property (on behalf of members of Jinke Property Group)

Subject matter

The Offset Assets provided by Jinke Property to the Company are the right of use of the parking spaces owned by the Jinke Property Group. The Debt Settlement will be carried out by way of assignment of the right of use, including the right to occupy, use, benefit from and dispose of the parking spaces where the direct transfer of the ownership of the parking spaces cannot be directly transferred to the Company under the PRC laws and regulations. As at the Latest Practicable Date, to the best of the Directors’ knowledge and having made all reasonable inquiries, there is no material legal encumbrance for the Group on assignment of right of use of the Offset Assets.

The Offset Assets comprise of 996 air raid shelter parking spaces and 9,666 non-air raid shelter parking spaces. Pursuant to the existing PRC policies, it is not allowed to transfer the ownership of the air raid shelter parking spaces. For the non-air raid shelter parking spaces, as further elaborated in section “Information on the Offset Assets” below, the Offset Assets lack the proper title certificates and building ownership for the transfer of ownership. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, in the PRC, trading in parking spaces can be carried out by the assignment of right of use in the parking spaces where the direct transfer of the ownership of the parking spaces is not

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available under the PRC laws and regulations or the car parking spaces lack the proper title certificates. It is a common market practice for many listed property developers in the PRC (including Jinke Property) to sell the right of use of the car parking spaces instead of the ownership in their ordinary and usual course of business. As a result, despite of the fact that the land use rights on which 882 car parking spaces (the “**Encumbrance**”) located have been pledged to a bank in the PRC as further elaborated in section “Information on the Offset Assets” below, the arrangement of assignment of right of use of the Offset Assets is not relevant to the Encumbrance.

The Debt Settlement Agreement is a framework agreement entered into according to the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement, which contains the principles, mechanisms and terms and conditions upon which the parties thereto are to carry out the transactions respectively. Following the signing of the Debt Settlement Agreement, each transferor (being a relevant member of Jinke Property Group) and the transferee (being a member of the Group) shall separately enter into a right of use transfer agreement (as the case may be) and relevant ancillary documents for the purpose of effecting the assignment of the right of use in the Offset Assets and the settlement of debt due from Jinke Property Group on a dollar-for-dollar basis. As at the Latest Practicable Date, the Group has separately entered into the right of use transfer agreement and relevant ancillary documents with the Jinke Property Group in order to lock up the relevant Offset Assets. The relevant agreements and ancillary documents will be effective upon the Debt Settlement Agreement has been approved by the Independent Shareholders.

Consideration, basis of determination of the consideration

As disclosed in the Debt Settlement Announcement, the maximum amount for the Debt Settlement shall not exceed RMB532,710,768.53 in total. As at the Latest Practicable Date, the Company and Jinke Property has agreed on the list of Offset Assets which includes 10,662 parking spaces owned by the Jinke Property Group to settle RMB398,298,749.61 of the Receivables. As the Receivables shall be settled on a dollar-for-dollar basis, thus no separate cash payment will be made by the Group to Jinke Property Group.

The amount of the Receivables to be settled by the Offset Assets was determined after arm’s length negotiations between the Company and Jinke Property with reference to, among others, (i) the valuation of the Offset Assets as at 31 December 2023 in the aggregate amount of RMB400,530,000, conducted by an independent valuer in the PRC using market approach; (ii) the prevailing market prices for the comparable assets in the proximity; (iii) the expected administrative cost of the Group to realize the Offset Assets being approximately RMB20 million and (iv) the reasons and benefits as more particularized in the paragraphs headed “Reasons for and Benefits of the Debt Settlement Agreement” below.

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Conditions Precedent

The Debt Settlement Agreement is subject to the fulfilment of the following conditions:

- (i) the formal valuation report has been issued by an independent valuer in the PRC regarding the Offset Assets selected by the Company and the formal legal opinion has been issued by the PRC counsel in respect of the same;
- (ii) the Debt Settlement Agreement has been duly executed and sealed by the Company and Jinke Property;
- (iii) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement has been approved by the independent Shareholders pursuant to the Listing Rules;
- (iv) the Debt Settlement Agreement has been approved by the Independent Shareholders pursuant to the Listing Rules.

As at the Latest Practicable Date, the conditions precedent (i) and (ii) above has been fulfilled. There is no long stop date for the Debt Settlement Agreement, the Debt Settlement Agreement will come into effect after fulfilment of the conditions precedent above. The Debt Settlement Agreement and the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement will be proposed and considered by the independent shareholders of the Company on the EGM. The Group will send the relevant personnel to complete the handover procedure of the right of use of the Offset Assets once the Debt Settlement Agreement has been approved on the EGM, thus the Debt Settlement Agreement is expected to be completed within 10 business days upon the approval has been obtained on the EGM.

INFORMATION ON THE OFFSET ASSETS

The Offset Assets comprise 10,662 parking spaces located in the PRC, 396 of which in Hebei Province, 385 of which in Tianjin City, 1,611 of which in Hubei Province, 668 of which in Guangxi Province, 2,086 of which in Jiangxi Province, 4,373 of which in Hunan Province, 727 of which in Guizhou Province and 416 of which in Henan Province. The rights to use the Offset Assets are held by Jinke Property Group. The Offset Assets have been retained as inventories since the completion of its development by Jinke Property Group, and have not been leased out, therefore, there was no rental income or profit generated from the Offset Assets. The Offset Assets have been selected by the Company after considering the following criteria (the “**Selection Criteria**”): (i) the Offset Assets are under the management of the Group as at the Latest Practicable Date; (ii) the Offset Assets are free of encumbrance and owned by Jinke Property Group; or if there is any encumbrance on any Offset Assets, and that the value of the Offset Assets has been adversely affected by such encumbrance in the future, Jinke Property Group will be obliged to pay the Company the difference between the relevant debts to be offset and the amounts that have been realized by the Group from the sale or lease of such

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encumbered Offset Assets; and (iii) the Offset Asset are part of the property project with resident occupancy rate of more than 50%. The Company confirms that all the Offset Assets meet the Selection Criteria. As disclosed in page 107 of the circular, the land use rights of Ningxiang Jinke Meiyuan (寧鄉金科美苑) on which 882 car parking spaces located have been pledged to a state-owned bank in the PRC. The total fair value of such encumbered Offset Assets are RMB24,520,000 which only represents 6.1% of the total fair value of the Offset Assets. In the event that the bank enforces the pledge on the land, the unsold encumbered Offset Assets may be confiscated by the bank, yet any proceeds previously generated from the sales or lease of the encumbered Offset Assets will not be confiscated by the bank but still belong to the Company. However, the purchasers of the sold encumbered Offset Assets may claim the return of the sales proceeds in a PRC court. As advised by the PRC counsel, if the PRC court support such claim, the maximum liability of the Company is to return the sales proceeds for the sold encumbered Offset Assets to the purchaser pursuant to the contract and will not incur any further fine or compensation. In such circumstances, the Company will rely on the compensation term as stipulated in the Debt Settlement Agreement to require compensation from Jinke Property. Pursuant to the compensation term, Jinke Property is obliged to compensate the Group if the value of the Offset Assets has been adversely affected. The amount of debt to be offset by each car parking space has been further stipulated in the individual agreement. The finance department of the Company will calculate the difference between the relevant debts to be offset and the amount that have been realized from the sales or lease of such Offset Assets (excluding the sales proceeds returned or to be returned to the purchasers) by the Group according to its management account which will be further reviewed and confirmed by the external auditor appointed by Jinke Property Group. After the difference has been ascertained, the Company will require the Jinke Property Group to pay such difference in cash or settle the debt with other assets within twelve months from the date of ascertaining the outstanding difference pursuant to the individual agreement. Based on the understanding of management of the Company, as the principal business of Jinke Property is property development and sale of property, its primary targets are to sell those residential or commercial properties developed by it, thus the Offset Assets (being car parking spaces ancillary to the property project) had never been specially launched for marketing for sales or for rent.

As disclosed above, the land use rights of the corresponding land on which certain Offset Assets are located have been pledged to a state-owned bank in the PRC. Considering that (i) Jinke Property has been involved in material litigations and is undertaking a corporate restructuring thus there are very limited unrestricted property assets which satisfied the Selection Criteria as disclosed above for the Group to select as at the Latest Practicable Date; (ii) pursuant to the advice of the PRC counsel, the Company can legally use or dispose of the encumbered Offset Assets until the pledge has been enforced by the bank to confiscate the encumbered Offset Assets. Jinke Property has also undertaken that it will still be obliged to pay the Company the difference between the relevant debts to be offset and the amounts that have been realized by the Group from the sale or lease of such encumbered Offset Assets, should the value of the Offset Assets become adversely affected by the encumbrance in the future; (iii) it is the understanding of the management of the Company that as a state-owned bank, the pledgee is unlikely to enforce the pledge as such enforcement would be detrimental to the

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interests of the wider public, especially residents who have purchased or leased the car parking spaces which will go against the state policy of “Guarantee the Delivery, Protect People’s Livelihood, and Ensure Social Stability”; and (iv) as the Jinke Property is primarily obliged to follow the policy of “Guaranteed Delivery” and the remaining cash of the Jinke Property Group has been restricted by the relevant government authorities to fulfill the “Guaranteed Delivery”, it is in the best interests of the Company and Shareholders to accept the available assets to offset the outstanding payables, the Company has selected the encumbered Offset Assets.

As disclosed in the valuation report set out in Appendix II of this circular, the Offset Assets lack the proper title certificates and building ownership. Considering that (i) Jinke Property has been involved in material litigations and is undertaking a corporate restructuring thus there are very limited unrestricted property assets which satisfied the Selection Criteria as disclosed above for the Group to select as at the Latest Practicable Date; (ii) pursuant to the advice of the PRC counsel, as the Jinke Property Group has obtained the relevant certificates of state-owned land use right for the Offset Assets, the lack of relevant title certificates of building ownership will not affect the right of the owner to occupy, use, benefit from and dispose of the right of use of the car parking spaces. As advised by the Company’s PRC counsel based on their due diligence on the Offset Assets, (a) the relevant project companies have obtained the land use rights of the land on which the Offset Assets are located, and therefore the land can be used in accordance with the stipulated land use and the PRC laws; and (b) the relevant project construction companies are entities that possess the qualification for the construction and have obtained the relevant government approval documents and administrative licenses for the corresponding underground car parking spaces. The construction of the car parking spaces is in compliance with the relevant laws and regulations; and (c) as qualified development entities, the project companies have the right to occupy, use, and benefit from their car parking spaces (provided that such car parking spaces have been constructed in compliance with the relevant laws and regulations and excluding any third-party rights there may be) and have the right to decide on the use of its car parking spaces. Jinke Property has also undertaken that it will still be obliged to pay the Company the difference between the relevant debts to be offset and the amounts that have been realized by the Group from the sale or lease of such encumbered Offset Assets, should the value of the Offset Assets become adversely affected by the lack of relevant title certificates of building ownership in the future; and (iii) as the Jinke Property is primarily obliged to follow the policy of “Guaranteed Delivery” and the remaining cash of the Jinke Property Group has been restricted by the relevant government authorities to fulfill the “Guaranteed Delivery”, it is in the best interests of the Company and Shareholder to accept the available assets to offset the outstanding payables, the Company has selected those car parking spaces without proper title certificates of building ownership. As advised by the Company’s PRC counsel, possession of the land use rights of the Offset Assets is sufficient to allow the Group to transfer the right of use of or let out the Offset Assets, and it is impractical and not a market practice to obtain title certificates of building ownership for car parking spaces. Therefore, the Company did not plan to obtain the relevant title certificates of building ownership considering that substantial administrative and legal cost will be incurred for the legal proceeding (which will involve different parties including Jinke Property and its other debtors) to ascertain the title of Offset Assets as at the Latest Practicable Date.

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REASONS FOR AND BENEFITS OF THE DEBT SETTLEMENT AGREEMENT

The Debt Settlement Agreement allows the Group to recover a large portion of Receivables from the Jinke Property Group. The Group will transfer the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

In considering the entering into of the Debt Settlement Agreement, the Board considered that (i) the Company's provision for impairment of trade and bill receivables increased from RMB78.2 million as at 31 December 2021 to RMB1,046.5 million as at 31 December 2022 due to a substantial decline in collectable receivables as a result of continued downturn in the real estate market and downward pressure on the economy and the COVID-19 pandemic during the year of 2022; (ii) the Company's net cash inflow from operating activities recorded a decrease of approximately 11.7% as compared to that of the same period in 2021 which was mainly attributable to a slower collection of proceeds due to tight cash flow from property developers; and (iii) the realization, pledge or leasing of the Offset Assets by the Company could improve the cashflow of the Company.

In respect of the marketability of the Offset Assets, considering that (i) more than one-third of the Offset Assets are located in municipality or capital city of a province and most of the Offset Assets are located in second or third tier cities in the PRC which enjoys the net population inflow; (ii) resident occupancy rate of the subject property projects where the Offset Assets are located are greater than 50%; (iii) all of the Offset Assets are under the management of the Group, in respect of which the Group has good knowledge and is familiarised with the background and characteristics of the Offset Assets; and (iv) with the increase in occupancy rate of the property projects and the popularization of private car among local residents, the demand for car parking space is expected to increase significantly, the Company is of the view that it is well-positioned to resell or rent the Offset Assets. The Group possesses industry-leading capabilities in real estate management and operation. The Company believes the demand for private parking spaces from home owners will increase significantly with the increase in private car volume in China and the popularity of new energy vehicles. Despite of the fact that the Offset Assets scattered across different locations in the PRC, all of them are under the management of the Group, in respect of which the Group has good knowledge and is familiarised with the background and characteristics of the Offset Assets. After the Debt Settlement Agreement has been approved by the Independent Shareholders, the Group will send relevant on-site sales staff to attend the relevant Offset Assets for inspection and summarize selling points according to their understanding on the local market and then formulate the detailed sales strategies. By leveraging the well-established sales channels of the Group's existing real estate brokerage agency business, the Company is of the view that it is well-positioned to resell or rent the Offset Assets. The Group will continue to identify, among the owners and tenants of the properties managed by the Group or in open market, suitable third parties for the sales or leases of the Offset Assets. The Group believes that such transactions are not only conducive to enhancing its ability in community value-added services, but would

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also improve the Group's revenue, both of which are in line with the Group's interests in the long term. The Company will immediately launch the Offset Assets to the market for sales or for rent once the Debt Settlement Agreement has been approved by the Independent Shareholders.

In view of the above and considering the payment term contemplated under the 2021 Framework Marketing Service Agreement will be amended to include the accepting assets from Jinke Property Group to settle the outstanding payables, the Directors (including the independent non-executive Directors) consider that, the Debt Settlement Agreement is entered into during the ordinary and usual course of business of the Group, the terms of the Debt Settlement Agreement are on normal commercial terms and are fair and reasonable, in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND JINKE PROPERTY GROUP

Jinke Property

Jinke Property is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000656.SZ). Jinke Property is one of the leading property developers in the PRC and is principally engaged in the development of large scale mixed-use property projects, with extensive presence in the businesses of property management, operation of technology industry, construction, real estate construction management and commercial.

The Group

The Group is principally engaged in the provision of space property management services, local catering services, community value-added services and smart living technology solutions in the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.06 of the Listing Rules in respect of the Debt Settlement are more than 5% but all of which are less than 25%, the Debt Settlement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, Jinke Property is a substantial shareholder of the Company, holding approximately 26.13% of the issued share capital of the Company. As such, Jinke Property is a connected person of the Company under the Listing Rules. The Debt Settlement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Pursuant to the note to Rule 14A.35 of the Listing Rules, if there is any material variation of the terms or material delay in the completion of a connected transaction, the issuer must, announce this fact as soon as practicable and re-comply with other applicable provisions

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under the Listing Rules. As the highest applicable percentage ratio in respect of the annual caps under each of Supplemental CCT Agreements is more than 5%, each of them is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Debt Settlement exceed 5%, the Debt Settlement is subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BOARD APPROVAL

At the Board meeting held to approve the Supplemental CCT Agreements, Mr. Xu Guofu who also holds management position in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司), has abstained from voting on the relevant Board resolutions. Apart from Mr. Xu Guofu, as at the date of approving the Supplemental CCT Agreements, none of the Directors has or is deemed to have a material interest in the Supplemental CCT Agreements and is required to abstain from voting on the relevant Board resolutions approving the Supplemental CCT Agreements.

At the Board meeting held to approve the Debt Settlement Agreement, Mr. Xu Guofu who holds management positions in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) and Mr. Shi Cheng who holds management positions in Jinke Property Group, have abstained from voting on the relevant Board resolution. Apart from Mr. Xu Guofu and Mr. Shi Cheng, as at the date of approving Debt Settlement Agreement, none of the Directors has or is deemed to have a material interest in the Debt Settlement Agreement and is required to abstain from voting on the relevant Board resolution approving the Debt Settlement Agreement.

EGM AND PROXY ARRANGEMENT

The EGM will be convened and held at Building A4, East Zone, Jinke Shiniancheng, No. 480, Panxi Road, Shimahe Street, Jiangbei District, Chongqing, the PRC on Thursday, 18 April 2024 at 3:00 p.m., for the purpose of considering and, if thought fit, passing the relevant resolutions to approve the Supplemental CCT Agreements and Debt Settlement Agreement. A notice convening the EGM is set out on pages 132 to 134 of this circular. A proxy form for use at the EGM is also enclosed in this circular.

Voting at the EGM will be conducted by way of poll. Jinke Property, holding 162,977,875 Shares, representing approximately 26.13% of the issued share capital of the Company shall abstain from voting on the proposed resolution approving the Supplemental CCT Agreements and the transactions contemplated thereunder (including the Revised Annual Caps) and Debt Settlement Agreement at the EGM. The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Supplemental CCT Agreements (including the Revised Annual Caps) and Debt Settlement Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the

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Independent Shareholders on the terms of the Supplemental CCT Agreements (including the Revised Annual Caps) and Debt Settlement Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Jinke Property, none of the other Shareholders has a material interest in the Supplemental CCT Agreements and Debt Settlement Agreement and the transactions contemplated thereunder is required to abstain from voting on the relevant resolution in the EGM.

If Shareholders intend to appoint a proxy to attend the EGM, Shareholders are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon and return it by personal delivery or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). The proxy form should be returned to the Company's H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the EGM or at any other adjourned meeting thereof (as the case may be) if they so wish.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 15 April 2024 to Thursday, 18 April 2024 (both days inclusive), during which period no transfer of the Shares will be registered. In order to qualify for attending and voting at the EGM, Shareholders whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H shares registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration, no later than 4:30 p.m. on Friday, 12 April 2024.

RECOMMENDATION

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the terms of the Supplemental CCT Agreements and Debt Settlement Agreement. Having taken into account the terms of the Supplemental CCT Agreements and Debt Settlement Agreement, the information provided in the "Letter from the Board" and the "Letter from the Independent Financial Adviser", the Independent Board Committee considers that the entering of the Supplemental CCT Agreements and Debt Settlement Agreement are in the ordinary and usual course of business of the Group, and the terms contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Supplemental CCT Agreements and Debt Settlement Agreement and the transactions contemplated thereunder to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 30 to 31 of this circular which contains its recommendations to the Independent Shareholders in respect of the terms of the Supplemental CCT Agreements and Debt Settlement Agreement. Your attention is also drawn to the letter of advice from the Independent Financial Adviser which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders. The letter from the Independent Financial Adviser is set out on pages 32 to 69 of this circular.

Your attention is also drawn to the general information and the valuation report set out in the appendix I and appendix II of this circular.

By order of the Board
Jinke Smart Services Group Co., Ltd.
Xia Shaofei
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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

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Jinke Smart Services Group Co., Ltd.

金科智慧服務集團股份有限公司

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

(Stock Code: 9666)

27 March 2024

To the Independent Shareholders

Dear Sir or Madam,

**(I) CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS,
VARIATION OF TERMS TO THE EXISTING CCT AGREEMENTS;
AND
(II) DISCLOSEABLE AND CONNECTED TRANSACTION
DEBT SETTLEMENT AGREEMENT**

We refer to the circular of the Company to the Shareholders dated 27 March 2024 (the “**Circular**”), in which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Supplemental CCT Agreements and Debt Settlement Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Red Sun Capital Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental CCT Agreements and Debt Settlement Agreement as set out on page 32 of the Circular and the letter from the Board as set out on pages 5 to 29 of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the entering of the Supplemental CCT Agreements and Debt Settlement Agreement are in the ordinary and usual course of business of the Group, and the terms of the Supplemental CCT Agreements and Debt Settlement Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the Supplemental CCT Agreements and Debt Settlement Agreement and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,

For and on behalf of

Independent Board Committee

Ms. Yuan Lin

Ms. Xiao Huilin

Mr. Tung Woon Cheung Eric

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and Independent Shareholders in relation to (i) the Continuing Connected Transactions contemplated under the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; and the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (ii) the Debt Settlement Agreement and the transactions contemplated thereunder, for inclusion in this circular.



紅日資本有限公司
RED SUN CAPITAL LIMITED

Room 310, Floor 3
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Tel: (852) 2857 9208
Fax: (852) 2857 9100

27 March 2024

To: The Independent Board Committee and the Independent Shareholders of Jinke Smart Services Group Co., Ltd.

Dear Sirs,

**(I) CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS,
VARIATION OF TERMS TO THE EXISTING CCT AGREEMENTS;
AND
(II) DISCLOSEABLE AND CONNECTED TRANSACTION
DEBT SETTLEMENT AGREEMENT**

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to (i) the continuing connected transactions contemplated under (a) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; and (b) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps), and the respective transactions contemplated thereunder (together the “**Continuing Connected Transactions**”); and (ii) the Debt Settlement Agreement and the transactions contemplated thereunder, details of which are contained in the letter from the Board (the “**Letter from the Board**”) as set out in the circular to the Shareholders dated 27 March 2024 (the “**Circular**”). Unless otherwise specified, terms defined in the Circular have the same meanings in this letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Continuing Connected Transactions

Reference is made to the announcement of the Company dated 15 December 2023 (the “**December Announcement**”) and the Letter from the Board in connection with variation of terms to the Existing CCT Agreements.

Pursuant to the note to Rule 14A.35 of the Listing Rules, if there is any material variation of the terms or material delay in the completion of a connected transaction, the issuer must, announce this fact as soon as practicable and re-comply with other applicable provisions under the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps under each of Supplemental CCT Agreements is more than 5%, each of them is subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Debt Settlement Agreement

Reference is made to the December Announcement and the Debt Settlement Announcement, among others, the variation to payment terms to 2021 Framework Marketing Service Agreement (the “**Variation of Terms**”) and the Debt Settlement Agreement, respectively (collectively the “**Announcements**”). Having considered, among others, the background, reasons and rationale as set out in the Announcements, on 29 December 2023 (after trading hours), subject to the approval of Supplemented 2021 Framework Marketing Service Agreement by the independent Shareholders pursuant to requirements of the Listing Rules, the Company entered into the Debt Settlement Agreement with Jinke Property. Pursuant to the Debt Settlement Agreement, the Company and Jinke Property intends to settle the Receivables under the Supplemented 2021 Framework Marketing Service Agreement through coordinating the members of Jinke Property Group to provide cash or assets (namely the car parking spaces owned by it) to offset the Receivables. If the Company and such member choose assets to offset the Receivables, Jinke Property shall produce the lists of the parking spaces available for offsetting the Receivables, and the Company is entitled to select the parking spaces listed on the list to offset the amounts not exceeding the Receivables arising from the 2021 Framework Marketing Service Agreement on a dollar-for-dollar basis.

As disclosed in the Letter from the Board, as one or more of the applicable percentage ratios under Rule 14.06 of the Listing Rules in respect of the Debt Settlement are more than 5% but all of which are less than 25%, the Debt Settlement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Letter from the Board, as at the Latest Practicable Date, Jinke Property is a substantial shareholder of the Company, holding approximately 26.13% of the issued share capital of the Company. As such, Jinke Property is a connected person of the Company under the Listing Rules. The Debt Settlement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Debt Settlement exceed 5%, the Debt Settlement is subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Abstain from voting at the EGM

As disclosed in the Letter from the Board, as at the Latest Practicable Date, Jinke Property, holding 162,977,875 Shares, representing approximately 26.13% of the issued share capital of the Company shall abstain from voting on the proposed resolutions approving (i) the Continuing Connected Transactions under (a) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; and (b) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (ii) the Debt Settlement Agreement, at the EGM.

II. THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors namely Ms. Yuan Lin, Ms. Xiao Huilin and Mr. Tung Woon Cheung Eric, to advise the Independent Shareholders in respect of (i) the Continuing Connected Transactions under (a) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; and (b) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (ii) the Debt Settlement Agreement and the transactions contemplated thereunder. We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Our appointment has been approved by the Independent Board Committee. Our role as the independent financial adviser is to give our recommendation to the Independent Board Committee and the Independent Shareholders in respect of (i) the Continuing Connected Transactions under (a) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; and (b) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (ii) the Debt Settlement Agreement and the transactions contemplated thereunder, as to whether (i) the terms thereunder are on normal commercial terms and fair and reasonable; and (ii) the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote in respect of the relevant resolutions to approve the transactions contemplated under the Continuing Connected Transactions and the Debt Settlement Agreement at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

III. OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, Jinke Property Group or any relevant parties in connection with the Continuing Connected Transactions and the Debt Settlement Agreement. Accordingly, we are qualified to give independent advice to the Independent Board Committee and the Shareholders regarding the transactions contemplated under the Continuing Connected Transactions and the Debt Settlement Agreement.

In the last two years, save for this appointment and our appointment as the independent financial adviser for the continuing connected transactions in relation to a framework property services agreement and a loan agreement entered into between the Company, as lender, and Jinke Property Group, as borrower, details of which are set out in the circular of the Company dated 1 August 2022, we have not acted as independent financial adviser to independent board committee and/or independent shareholders of the Group.

Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser and the engagement as stated above as the independent financial adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Group pursuant to Rule 13.84 of the Listing Rules.

IV. BASIS OF OUR ADVICE

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Circular or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Circular have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that no material facts have been omitted from the information provided and referred to in the Circular. In addition, pursuant to the relevant Listing Rules, we have taken reasonable steps to enable ourselves to reach an informed view so as to provide a reasonable basis for our opinion.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group, Jinke Property Group and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely for their consideration of the transactions contemplated under the Continuing Connected Transactions and the Debt Settlement Agreement and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

V. BACKGROUND INFORMATION OF THE PARTIES TO THE CONTINUING CONNECTED TRANSACTIONS AND THE DEBT SETTLEMENT AGREEMENT AND INDUSTRY OVERVIEW

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following information:

1. Information of the Group

The Group is principally engaged in the provision of space property management services, community value-added services, local catering services and smart living technology solutions in the PRC.

We herewith set out a summary of the financial information of the Group for the years ended 31 December 2021 and 2022 as extracted from the annual report of the Group for the year ended 31 December 2022 (the “**2022 Annual Report**”) and the financial information for the six months ended 30 June 2022 and 2023 as extracted from the interim report of the Group for the six months ended 30 June 2023 (the “**2023 Interim Report**”), respectively:

Summary of the consolidated statement of comprehensive income of the Group extracted from the 2022 Annual Report and 2023 Interim Report

	For the six months ended		For the year ended	
	30 June		31 December	
	2023	2022	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	2,464,841	2,565,271	5,005,059	5,968,448
Cost of sales	(1,901,329)	(1,886,663)	(4,061,857)	(4,122,014)
Gross profit	563,512	678,608	943,202	1,846,434
(Loss)/profit and total comprehensive income for the year	216,084	372,310	(1,839,935)	1,076,830
attributable to:				
– owners of the Company	189,479	357,233	(1,818,545)	1,057,182
– non-controlling interests	26,605	15,077	(21,390)	19,648

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial performance for the six months ended 30 June 2022 (the “1H2022”) and the six months ended 30 June 2023 (the “1H2023”)

As set out in the 2023 Interim Report, the Group’s revenue decreased by approximately RMB2,464.8 million or 3.9% from approximately RMB2,565.3 million for 1H2022 to approximately RMB2,464.8 million for 1H2023. Such decrease was mainly attributable to the combined effect of the following:

- (i) the revenue derived from the provision of space property management services and smart living technology solutions remained broadly stable for 1H2022 and 1H2023;
- (ii) the increase in revenue from local catering services by approximately 10.5% to approximately RMB242.1 million for 1H2023 from approximately RMB219.1 million for 1H2022, which was mainly due to (a) the Group has continued to develop its catering services, and cultivated the business capacity to capture market share through the model of organic growth and mergers and acquisitions; (b) with the gradual recovery of consumption, the hotel management services of the Group continued to improve; and (c) the Group proactively reduced the catering supply chain service business with very low profit margin and unsatisfied cash flow; and
- (iii) the decrease in revenue from community value-added services by approximately 43.9% from approximately RMB285.3 million for 1H2022 to approximately RMB160.0 million for 1H2023, which was mainly due to (a) the Group targeted community value-added services, focused on businesses with high growth potential, high repayment rate and guaranteed cash flow, reduced businesses that increased revenue but did not increase profits, and changed the business model of certain businesses from self-operated models to platform models, resulting in a decline in revenue; (b) affected by the slower than expected domestic economic recovery rate; and (c) affected by the overall downturn in the real estate industry, the newly delivered area and new sales area continued to decline, resulted in a continuous decline in the Group’s decoration business and asset operation business.

For 1H2023, profit attributable to owners of the Company amounted to approximately RMB189.5 million, representing a decrease of approximately 47.0% as compared to approximately RMB357.2 million for 1H2022, which was attributable to the factors as set out above as well as the decrease in gross profit, increase in operating expenses and impairment losses on financial assets.

Subsequent to the publication of the 2023 Interim Report, the Company published a profit warning announcement dated 7 March 2024 in relation to the financial performance of the Group for the year ended 31 December 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial performance for the year ended 31 December 2022 (the “FY2022”) and the year ended 31 December 2021 (the “FY2021”)

As set out in the 2022 Annual Report, the Group’s revenue decreased by approximately RMB963.3 million or 16.1% from approximately RMB5,968.4 million for FY2021 to approximately RMB5,005.1 million for FY2022. Such decrease was mainly attributable to the combined effect of the following:

- (i) the increase in revenue from space property management services by approximately 5.2% from RMB3,900.2 million for FY2021 to RMB4,101.2 million for FY2022, which included (a) revenue from property management services increased by approximately 28.2% from RMB2,866.6 million for FY2021 to RMB3,675.7 million, which was primarily driven by the Group’s business expansion; and (b) revenue from value-added services to non-property owners decreased by approximately 58.8% from RMB1,033.6 million for FY2021 to RMB425.5 million due to the macro situation of the property industry in the PRC;
- (ii) the decrease in revenue from community value-added services by approximately 77.7% from approximately RMB1,494.7 million for FY2021 to approximately RMB332.9 million for FY2022, which was mainly due to the fact that many of the Group’s value-added businesses did not commence as planned due to the impact of the pandemic control and weakened consumer demand, resulting in a decline in revenue;
- (iii) the increase in revenue from local catering services by approximately 2.9% from RMB474.0 million for FY2021 to RMB487.9 million for FY2022, which was mainly due to (a) the Group’s continued development of its catering services (group meals and social meals) and hotel management businesses; and (b) in view of the changes in the external operating environment, the Group reduced part of the food supply chain services business with very low profit margin and poor cash flow, resulting in a reduction in the volume of our food supply chain business; and
- (iv) the decrease in revenue from smart living technology solutions by approximately 16.5% from RMB99.5 million for FY2021 to RMB83.1 million for FY2022, which was mainly due to the Company’s initiative to reduce the business provided to Jinke Property Group.

For FY2022, loss attributable to owners of the Company amounted to approximately RMB1,818.5 million, as compared to profit attributable to owners of the Company amounted to approximately RMB1,057.2 million for FY2021, which was attributable to the factors as set out above as well as the decrease in gross profit, increase in operating expenses, the notable increase in impairment losses on financial assets and the increase in other losses – net.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Summary of the consolidated statement of financial position of the Group extracted from the 2022 Annual Report and the 2023 Interim Report

	As at 30 June 2023	As at 31 December	
	2023	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Non-current assets	1,695,310	2,006,597	983,506
Current assets	6,912,693	6,350,162	9,455,987
Non-current liabilities	258,622	192,394	193,249
Current liabilities	2,778,110	2,764,000	2,516,268
Equity attributable to the owners of the Company	5,474,761	5,326,783	7,657,005

Financial position as at 30 June 2023 and 31 December 2022

Total assets of the Group as at 30 June 2023 primarily comprised of (i) cash and cash equivalents balance, which amounted to approximately RMB2,851.5 million as at 30 June 2023, representing a decrease of approximately 7.1% as compared to approximately RMB3,069.8 million as at 31 December 2022; (ii) trade and bill and other receivables and prepayments balance as at 30 June 2023, which amounted to approximately RMB2,575.2 million, representing an increase of approximately 7.8% as compared to approximately RMB2,388.7 million as at 31 December 2022; and (iii) loan receivables, which amounted to approximately RMB1,412.9 million as at 30 June 2023, representing an increase of approximately 1.9% as compared to approximately RMB1,386.7 million as at 31 December 2022.

Total liabilities of the Group as at 30 June 2023 primarily comprised of (i) trade and bill and other payables, which amounted to approximately RMB1,978.3 million as at 30 June 2023, representing an increase of approximately 1.3% as compared to approximately RMB1,952.4 million as at 31 December 2022; and (ii) contract liabilities balance, which amounted to approximately RMB660.2 million as at 30 June 2023, representing a decrease of approximately 10.8% as compared to approximately RMB740.2 million as at 31 December 2022.

As at 30 June 2023, the equity attributable to owners of the Company amounted to approximately RMB5,474.8 million, representing an increase of approximately RMB148.0 million or 2.8% as compared to approximately RMB5,326.8 million as at 31 December 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial position as at 31 December 2022 and 31 December 2021

Total assets of the Group as at 31 December 2022 primarily comprised of (i) trade and bill and other receivables and prepayments balance, which amounted to approximately RMB3,221.4 million as at 31 December 2022, representing a decrease of approximately 23.5% as compared to approximately RMB4,210.3 million as at 31 December 2021; (ii) cash and cash equivalents balance, which amounted to approximately RMB3,069.8 million as at 31 December 2022, representing a decrease of approximately 37.6% as compared to approximately RMB4,922.3 million as at 31 December 2021; and (iii) other receivables under non-current assets, which amounted to approximately RMB635.2 million as at 31 December 2022 (31 December 2021: RMB nil).

Total liabilities of the Group as at 31 December 2022 primarily comprised of (i) trade and bill and other payables, which amounted to approximately RMB1,952.4 million as at 31 December 2022, representing an increase of approximately 13.1% as compared to approximately RMB1,725.5 million as at 31 December 2021; and (ii) contract liabilities balance, which amounted to approximately RMB740.2 million as at 31 December 2022, representing an increase of approximately 26.3% as compared to approximately RMB586.2 million as at 31 December 2021.

As at 31 December 2022, the equity attributable to owners of the Company amounted to approximately RMB5,326.8 million, representing a decrease of approximately RMB2,330.2 million or 30.4% as compared to approximately RMB7,657.0 million as at 31 December 2021.

2. Information of Jinke Property Group

As set out in the Letter from the Board, Jinke Property is a joint stock company established in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 000656.SZ). Jinke Property is one of the leading property developers in the PRC and is principally engaged in the development of large scale mixed-use property projects, with extensive presence in the businesses of property management, operation of technology industry, construction, real estate construction management and commercial.

As noted from the 2023 Jinke Property Interim Report (defined hereafter) (2023年金科股份中期報告) for the six months ended 30 June 2023, Jinke Property Group recorded (i) due and unpaid principal of interest-bearing debt* (到期未能償還的有息債務本金) in the amount of approximately RMB28,591 million (including financial interest-bearing debt* (金融性有息負債) of approximately RMB24,658 million and other outstanding payables and loans* (其他應付款拆借款逾期) of approximately RMB3,933 million as at 30 June 2023; and (ii) balance of cash at bank and on hand of Jinke Property Group amounted to approximately RMB10,038 million, and among the liabilities of Jinke Property Group, short-term borrowings amounted to approximately RMB6,922 million, non-current liabilities due within one year* (一年內到期的非流動負債) amounted to approximately RMB32,082 million, other outstanding payables, loans and relief fund payable* (其他應付款拆借款和紓困資金) amounted to approximately

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RMB9,624 million, and long-term borrowings and bonds payable amounted to approximately RMB27,896 million, which indicated that Jinke Property Group is experiencing working capital difficulties. For further information on the financial status and our analysis on Jinke Property Group, please refer to the section headed “3.2 Background information and our analysis on Jinke Property Group” in this letter.

3. Overview of the PRC economy and property development sector

Based on preliminary gross domestic product data¹ published by the National Bureau of Statistics of China in January 2024, for the year ended 31 December 2023, the gross domestic product (“GDP”) of the PRC recorded a growth compared to the corresponding period in the prior year (比上年同期增長) of approximately 5.2%.

Pursuant to the 14th Five Year Plan (the “14th FYP”)* (十四五規劃) announced by the PRC government in March 2021, the target urbanisation rate of the resident population* (常住人口城鎮化率) for the next five years from 2021 is approximately 65.0%. Based on publication by the PRC government in relation to the 14th FYP, the PRC government will focus on enhancing the quality and efficacy of the overall economy with a view to attain sustainable and healthy development through, among others, (i) the improvement of supply chain modernisation* (提升產業鏈供應鏈現代化水準); (ii) the development of strategic new industries* (發展戰略性新興產業); (iii) the acceleration of modern service industries development* (加快發展現代服務業); (iv) the coordination of infrastructure construction advancement* (統籌推進基礎設施建設); and (v) the acceleration of the development of digitalisation* (加快數位化發展).

We also noted the strict implementation of the three red lines* (三條紅線) from around the second half of 2020 by the PRC government on the PRC real estate development industry², which was one of the core policy directives for the property development industry issued by the PRC government at the relevant time. Subsequently, the PRC government has implemented various policies and/or directives associated with the property development industry, including, among others, The People’s Bank of China* (中國人民銀行) and China Banking and Insurance Regulatory Commission* (中國銀行保險監督管理委員會) jointly issued the announcement titled “Provision of Financial Support for the Stability and Healthy Development of the Real Estate Market*” (關於做好當前金融支持房地產市場平穩健康發展工作的通知)³ dated 23 November 2022 in relation to (i) ensure stable and orderly real estate financing* (保持房地產融資平穩有序); (ii) proactively carry out “guarantee delivery of vacant

¹ Data published by National Bureau of Statistics, the PRC (source: https://www.stats.gov.cn/sj/zxfb/202401/t20240118_1946691.html)

² PRC government published article in relation to finance and land related policies dated 1 March 2021 (source: www.gov.cn/xinwen/2021-03/01/content_5589400.htm)

³ Announcement of Provision of Financial Support for the Stability and Healthy Development of the Real Estate Market* 《關於做好當前金融支持房地產市場平穩健康發展工作的通知》 jointly published by The People’s Bank of China* (中國人民銀行) and China Banking and Insurance Regulatory Commission* (中國銀行保險監督管理委員會) dated 23 November 2022 (source: www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=1082913generaltype=0)

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possession” related financial services* (積極做好“保交樓”金融服務); (iii) proactively cooperate on risk management of real estate development enterprises in difficulties* (積極配合做好受困房地產企業風險處置); (iv) protect the legal rights and interests of residential property financial consumers* (依法保障住房金融消費者合法權益); (v) adjust part of the financial management policies in stages* (階段性調整部分金融管理政策); and (vi) provide greater financial support on leasing of residential properties* (加大住房租賃金融支持力度).

Accordingly, the development of the PRC property market continues to be influenced by, among others, changes in PRC government policies at a national and regional level, which is intended to promote sustainable and healthy long-term development of the property development industry, the then prevailing market environment as well as the overall economic development of the PRC.

VI. PRINCIPAL FACTORS AND REASONS CONSIDERED IN CONNECTION WITH THE CONTINUING CONNECTED TRANSACTIONS

1. Reasons for and benefits of entering into the Supplemental CCT Agreements

With reference to the Letter from the Board, it is noted that the Company continues to monitor the historical transaction amounts in connection with Existing CCT Agreements and the risk of not being able to recover receivables due with reference to the latest operating conditions of the Jinke Property Group. The Revised Annual Caps under the Supplemental Agreement to the 2022 Master Property Management Services Agreement which reflect a downward trend in the cooperation with the Jinke Property Group could control business risks of the inability to recover receivables due in light of the macroeconomic development and the macro-control policies for the real estate sector in the PRC.

With reference to the Letter from the Board, as at the Latest Practicable Date, disregarding the effect of Debt Settlement, the outstanding receivables due from Jinke Property arising from the 2021 Framework Marketing Service Agreement and the 2022 Master Property Management Services Agreement are RMB532,710,768.53 and RMB549,949,452.62 respectively, which are overdue and have exceeded the relevant credit period. The proposed variation of payment terms set out in the Supplemental CCT Agreements allows the Group to have greater flexibility in recovering receivables from the Jinke Property Group. The Group will transfer the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

In considering the entering into of the Supplemental CCT Agreements, the Board considered that (i) the Company’s provision for impairment of trade and bill receivables increased from approximately RMB78.2 million as at 31 December 2021 to approximately RMB1,046.5 million as at 31 December 2022 due to a substantial decline in collectable receivables as a result of continued downturn in the real estate market and downward pressure on the economy and the COVID-19 pandemic during the year of 2022; (ii) the Company’s net cash inflow from operating activities recorded a decrease of approximately 11.7% as compared to that of the same period in 2021 which was mainly attributable to a slower collection of

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proceeds due to tight cash flow from property developers; (iii) the realization, pledge or leasing of the Offset Assets by the Company could improve the cashflow of the Company; and (iv) the Company is empowered to select the preferred Offset Assets with value determined by an independent and qualified valuer using market approach to settle the Outstanding Payables on a dollar-to-dollar basis.

In considering whether Jinke Property is unable to pay any Outstanding Payables, the Company will consider whether (i) there is evidence suggesting that Jinke Property has defaulted on its debts in the public market; (ii) Jinke Property has failed and/or refused to settle any Outstanding Payables after written reminder has been served by the Company to Jinke Property; and (iii) Jinke Property is involved in, or likely to be involved in, material litigation or is undertaking a corporate restructuring which may adversely affect the recoverability of any of the Outstanding Payables. Despite of the proposed variation of payment terms set out in the Supplemental CCT Agreements, the cash settlement remains to be the Company's preference to settle the Outstanding Payables. However, in the event that the Company has determined that Jinke Property is unable to pay any of the Outstanding Payables due to the circumstances set out above, the Company will have to accept the Offset Assets to minimize the loss suffered and reduce the provision for impairment of trade and bill receivables. The Company has no intention to accept the Offset Assets as a general settlement mechanism for future transactions with Jinke Property.

The Company will consider the following factors in selecting the Offset Assets: (i) the Offset Assets should be under the management of the Group; (ii) the Offset Assets must be free of encumbrance and are owned by Jinke Property Group; and (iii) the Offset Asset should be part of a property project with resident occupancy rate of more than 50%. As at the Latest Practicable Date, the Company considers that the payment ability of Jinke Property Group are currently restrained for paying the Outstanding Payables. In order to avoid accumulation of overdue payment from Jinke Property Group, the Group commenced to provide limited property management services to Jinke Property Group since the beginning of 2023. To this end, the Company will conduct financial due diligence to ascertain the payment ability of the relevant member of Jinke Property Group and will only provide services to those who has a sound financial status or has agreed to accept upfront payment arrangement. Based on the management accounts for the six months ended 30 June 2023 of the Group, the actual transactions under the 2022 Master Property Management Services Agreement amounted to approximately RMB60.8 million only.

As at the Latest Practicable Date, the Company does not intend to renew the 2021 Framework Marketing Service Agreement upon its expiry on 31 December 2023. With continuous efforts, the Group had finally reached an agreement with Jinke Property on 29 December 2023 to offset the outstanding balance not exceeding RMB532,710,768.53 in total of which have been disclosed in the Debt Settlement Announcement.

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The Group possesses capabilities in real estate management and operation. The Group will continue to identify, among the owners and tenants of the properties managed by the Group or in open market, suitable third parties for the sales or leases of the Offset Assets. The Group believes that such transactions are not only conducive to enhancing our ability in providing community value-added services, but would also improve the Group's revenue, both of which are in line with the Group's interests in the long term. Despite of the fact that it may take time to realize the Offset Assets, the Company confirms it currently has sufficient cash or cash equivalent to meet its daily operation requirements and will continue to generate cash from its operation as most of the gross floor area under management of the Group are attributable to the Independent Third Parties. The Company will comply with all the requirements under Chapter 14 and 14A of the Listing Rules (including circular and independent shareholders' approval) when it elects to accept such Offset Assets to settle Outstanding Payables.

2. Principal terms of the Supplemental CCT Agreements

The Existing CCT Agreements

For the principal terms of each of the Existing CCT Agreements and the respective historical amounts thereunder for the relevant period/year ended 31 December 2021, 31 December 2022 and the six months ended 30 June 2023, please refer to the section headed "Summary of the Existing CCT Agreements" in the Letter from the Board.

The Supplemental CCT Agreements

(1) *Revised Annual Caps under the Supplemental Agreement to the 2022 Master Property Management Services Agreement*

With reference to the Letter from the Board, the Company proposed to revise the existing annual caps for the continuing connected transactions in connection with the 2022 Master Property Management Services Agreement for the two years ending 31 December 2024 and 2025 as follows:

Revised Annual Caps

	For the year ending	
	31 December	
	2024	2025
	<i>RMB (in</i>	<i>RMB (in</i>
	<i>millions)</i>	<i>millions)</i>
Existing Annual Caps	800	800
Revised Annual Caps	200	200

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Basis of determination of the Revised Annual Caps

The above Revised Annual Caps is determined mainly by considering the following factors:

- (i) the historical transaction amounts under the 2022 Master Property Management Services Agreement for the six months ended 30 June 2023;
- (ii) the macroeconomic development and the macro-control policies for the real estate sector in the PRC, specifically the policy to guarantee delivery of buildings and the deteriorated liquidity crisis of PRC's real estate sector;
- (iii) the Group's adjustment of its operational strategies to prioritise maintaining healthy cash flow and attaching great importance to recovering receivables due from Jinke Property Group, while proactively minimizing services offered to Jinke Property Group which may not guarantee repayment;
- (iv) the impacts of downward development in the real estate sector in causing periodic pressure on the capital liquidity of Jinke Property Group. Since Jinke Property disclosed its public debt default on 28 December 2022, the primary operational priority of Jinke Property Group is to guarantee the delivery of buildings, which would render a longer period for the Group to recover receivables due from Jinke Property Group, and the Group expects the situation will not improve in the short term;
- (v) in light of the continuous slowdown of the sales in the PRC's real estate market, the transaction amount of new home sales by the Jinke Property Group for the six months ended 30 June 2023 was approximately RMB17.5 billion, representing a decrease of approximately 58.0% from the same period of last year. The decrease in new home sales caused a corresponding decrease in the demand of sales assistance services. As at 30 June 2023, the Group provided services to 42 projects for display units and sales offices of the Jinke Property Group, which was a substantial decrease of approximately 80.3% when compared to the 214 projects for display units and sales offices managed by the Group as at 30 June 2022. The Group expects the demand of sales assistance services will continue to decrease;

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- (vi) constrained by Jinke Property Group's cash flow issue, the gross floor area of the new property construction projects by Jinke Property Group for the six months ended 30 June 2023 was approximately 0.2 million sq.m., which was a substantial decrease from the same period of last year. The demand for pre-delivery and after-sales services therefore decreased substantially;
- (vii) as at 30 June 2023, the total gross floor area of properties owned by the Jinke Property Group for sale was approximately 52.7 million sq.m.. If the cash flow of the Jinke Property Group would be improved in the future, the demand for property management services and value-added services to non-property owners are expected to increase gradually;
- (viii) in respect of the property management services such as property management, parking space management and the entire community and parking lots are the service targets as a whole as there is no differentiation between the Jinke Property Group and other third parties. The relevant service fees will therefore continue to incur;
- (ix) the estimated transaction amount for the year ending 31 December 2025 calculated based on the above factors and the pricing policy as more particularised in the section headed "Pricing Policy" in the Letter from the Board; and
- (x) an assumption that the gross floor area of the properties to be delivered or pre-sold by the Jinke Property Group and its associates will remain stable for the two years ending 31 December 2025.

(2) Variation to payment terms under the Supplemental CCT Agreements

As set out in the Letter from the Board, according to the terms of the specific agreement entered into pursuant to the Existing CCT Agreements, the service fee in general shall be payable by Jinke Property Group in cash and settled, in respect of property management services, upon completion of service project (such as display units and sale offices) or on quarterly basis for unsold units; and in respect of marketing services, upon the successful sales of the target properties. The general credit period is usually 3 to 15 business days.

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Pursuant to each of the Supplemental CCT Agreements, the Company and Jinke Property agreed to the following mechanism as an additional means to settle the fees due and payable by the Jinke Property Group to the Group under each of the Existing CCT Agreements:

- (i) in the event the Jinke Property Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from the Jinke Property Group's unsold property assets (including but not limited to office buildings, shops, commercial housing and car parking lots) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Jinke Property;
- (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and the Jinke Property Group shall enter into the property offset agreement (抵房協議), under which the Group will obtain the property right or the use right of the Offset Assets to offset against the Outstanding Payables;
- (iii) the Group and the Jinke Property Group shall enter into the property transfer agreement (搭房協議), under which the Jinke Property Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within one year commencing from the effective date of the property transfer agreement; and
- (iv) the Jinke Property Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset in the property transfer agreement for one or more other property asset(s) held by the Jinke Property Group of equal value, including but not limited to office buildings, shops, commercial housing and car parking lots.

The effectiveness of the Supplemental CCT Agreements is subject to the approval by the Independent Shareholders at the EGM.

Save for the above revision in the Supplemental CCT Agreements, all other terms of the Existing CCT Agreements shall remain valid and in full force and effect.

3. Our analysis and assessment on the variation of payment terms to the Existing CCT Agreements (the "Variation of Terms")

With a view to assessing the fairness and reasonableness of the Variation of Terms, we have carried out the following analysis and considered factors as set out below.

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3.1 Background of the Variation of Terms

As set out in the Letter from the Board, the Company continues to monitor the historical transaction amounts in connection with Existing CCT Agreements and the risk of not being able to recover receivables due with reference to the latest operating conditions of the Jinke Property Group. The Board considered that the proposed variation of payment terms set out in the Supplemental CCT Agreements allows the Group to have greater flexibility in recovering receivables from the Jinke Property Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash. For further details on the Variation of Terms, please refer to the section headed “(2) Variation to payment terms under the Supplemental CCT Agreements” in the Letter from the Board.

In this connection, we have obtained and reviewed documents provided by the Company in relation to actions taken for the collection of outstanding receivables from members of the Jinke Property Group, including, among others, (i) issuing notice of cessation of services (撤場確認書), which also sets out its demand for outstanding fee due; (ii) issuing reminder letter for outstanding payments (費用支付催告函); (iii) outstanding payment demand letters issued by the Company (欠費告知函); and (iv) demand for payment through legal means. However, as set out in the Letter from the Board and as advised by the Management, the outstanding receivable amount due from the Jinke Property Group to the Group remained to be substantial. In this connection, we are of the view that the Variation of Terms, which allows the Group to have greater flexibility in recovering receivables from the Jinke Property Group, to be in the interests of the Company and its Shareholders as a whole.

3.2 Background information and our analysis on the Jinke Property Group

Based on information obtained and reviewed by us as well as our discussion with the Management, we noted that (i) the strict implementation of various PRC government policies, including, among others, the three red lines* (三條紅線) in relation to (a) the debt-to-asset ratio; (b) the net debt ratio; and (c) the cash and short term debt ratio, with the intention to promote long term sustainable development of the PRC property industry; (ii) the U.S. Federal Reserve’s monetary policies of maintaining a relatively high interest rate environment with a view to containing inflation during the majority of 2022, throughout 2023 and into 2024 (up to the Latest Practicable Date), have contributed to a tightening of onshore and offshore credits and a challenging operating environment for many PRC property developers; and (iii) the Group experienced a slowdown in the collection of outstanding receivables due from the Jinke Property Group in the past.

In light of the above, we have reviewed the published information of Jinke Property Group, including its interim financial report for the six months ended 30 June 2023* (the “**2023 Jinke Property Interim Report**”) (2023年金科股份中期報告), with a view to gain insight into the consolidated financial position and status of the Jinke Property Group. Based on our work performed, we noted that (i) the Jinke Property Group recorded due and unpaid principal of interest-bearing debt* (到期未能償還的有息債務本金) in the amount of approximately

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RMB28,591 million (including financial interest-bearing debt* (金融性有息負債) of approximately RMB24,658 million and other outstanding payables and loans* (其他應付款拆借款逾期) of approximately RMB3,933 million as at 30 June 2023. In addition, certain of the operating payables of the Jinke Property Group were also overdue. In this connection, certain creditors had sought recovery of the overdue debts from the relevant entities of the Jinke Property Group through PRC legal means, further details of which have been set out in the 2023 Jinke Property Interim Report. As at 30 June 2023, balance of cash at bank and on hand of the Jinke Property Group amounted to approximately RMB10,038 million, and among the liabilities of the Jinke Property Group, short-term borrowings amounted to approximately RMB6,922 million, non-current liabilities due within one year* (一年內到期的非流動負債) amounted to approximately RMB32,082 million, other outstanding payables, loans and relief fund payable* (其他應付款拆借款和紓困資金) amounted to approximately RMB9,624 million, and long-term borrowings and bonds payable amounted to approximately RMB27,896 million, which indicated that the Jinke Property Group is experiencing working capital difficulties; (ii) unaudited revenue of the Jinke Property Group decreased slightly from approximately RMB43.4 billion for the nine months ended 30 September 2022 to approximately RMB43.1 billion for the nine months ended 30 September 2023; and (iii) the Jinke Property Group recorded unaudited loss attributable to its shareholders of approximately RMB2.4 billion for the nine months ended 30 September 2023.

As confirmed by the Management, whilst the Company has previously requested the Jinke Property Group (for the avoidance of doubt, excluding the Group) to settle the outstanding receivables in the form of cash, the Company has also considered accepting appropriate non-cash assets from the Jinke Property Group (for the avoidance of doubt, excluding the Group), in the form of the Offset Asset(s) under the Variation of Terms (the “**Asset Settlement**”) as an alternative with a view to facilitate and expedite the settlement of the outstanding and possible receivables going forward so as to reduce its overall credit exposure in relation to such receivables. As a result of the above, the Variation of Terms were negotiated between the subject parties.

3.3 Our analysis on the settlement mechanisms under the Variation of Terms

Pursuant to each of the Supplemental CCT Agreements, the Company and Jinke Property agreed to the Asset Settlement Mechanism (defined hereafter) as set out in the Letter from the Board as an additional means to settle the fees due and payable by the Jinke Property Group to the Group under each of the Existing CCT Agreements. The Company considered that accepting the Offset Assets as settlement of Outstanding Payables will help with recovering receivables due, and by selling, letting or pledging the Offset Assets and the Group’s cash flow can be improved, instead of passively waiting for the settlement from the Jinke Property Group.

We noted that from the Letter from the Board that in the event the Jinke Property Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from the Jinke Property Group’s unsold property assets (the “**Asset Settlement Mechanism**”). Based on our discussion with the Management, we understand that the Asset Settlement Mechanism does not impair the rights of the Group from demanding cash settlement from the Jinke Property Group

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as the right to elect and accept the Asset Settlement lies with the Group. On this basis, it is an option for the Group, where it considers appropriate, to expedite the settlement of outstanding receivables from the Jinke Property Group rather than an obligation for the Group to accept the Asset Settlement.

Furthermore, the Jinke Property Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within one year commencing from the effective date of the property transfer agreement. Such arrangement would facilitate the Group to sell or offload the subject property to another party for cash and/or settle its own obligations in an effective manner. In addition, it is set out that during the Naming Period, the Group may request to exchange any Offset Asset in the property transfer agreement for one or more other property asset(s) held by the Jinke Property Group of equal value, which provides a level of additional protection to the Group in the event that certain property(ies) under the Offset Assets originally selected by the Group is not as receptive by the market and/or to potential purchasers as anticipated.

As set out in the Letter from the Board, the value of the Offset Assets will be determined with reference to the valuation appraised by an independent and qualified valuer using the market approach.

3.4 Our analysis on Market Precedents

We understand from the Management that the primary objective of the Variation of Terms is to facilitate the effective settlement of the outstanding and possible receivables due from the Jinke Property Group (for the avoidance of doubt, excluding the Group) through the Asset Settlement.

On this basis, we have conducted market research on transactions with a view to establish whether it is market practice for companies listed on the Stock Exchange to conduct asset settlement through non-cash assets in the recent past. The selection criteria of our market research are as follows, namely, (i) announcement(s) and/or circular(s) in relation to asset settlement using non-cash assets (assets in this context refer to both tangible and intangible assets and includes businesses, companies, listed and unlisted securities) or transaction of a similar nature, issued by the companies listed on the Stock Exchange. It is noted that subject to the type of assets applied in the asset settlement and their respective monetary value per unit, the frequency and amount for a given transaction in the open market may be different, depending on factors such as the market conditions, relevant market demand and availability of willing buyer(s) at the material time. However, the aforesaid differences do not render the Market Precedents (defined hereafter) inappropriate for our analysis as the purpose of our analysis is to determine whether asset settlement using non-cash assets is in line with general market practice; (ii) the date of the subject transaction announcement/circular falls within a recent period, i.e. since 1 January 2023 up to the date of the Supplemental CCT Agreements, being a review period of around eleven months (the “**Review Period**”), which we considered to be as an appropriate timeframe to identify a meaningful set of Market Precedents (defined hereafter) that reflect the recent market practice and provide a useful reference for the purpose

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of our analysis; and (iii) the underlying transactions shall include both connected transactions and transactions with independent third party(ies) to ensure that the Market Precedents are reflective of the general market practice (together the “**Selection Criteria**”). Based on the Selection Criteria, we have identified five market precedents (the “**Market Precedents**”), on a non-exhaustive basis, details of which are set out below:

Company name (stock code)	Principal business	Date of announcement/ circular (where applicable)	Connected transaction	Brief description of the transaction/asset settlement ^(Note 1)
Aoyuan Healthy Life Group Company Limited (“ Aoyuan Healthy ”) (3662)	a property management service and commercial operational service provider in the PRC	28 August 2023 and 4 October 2023 (announcements), 14 November 2023 (circular)	Yes	Aoyuan Healthy may negotiate with the creditor in good faith to settle the relevant services fees arising from the continuing connected transactions for the three years ending 31 December 2026 in case it is not able to be settled in cash within the prescribed period by way of transferring certain assets, including but not limited to any or all titles, rights, benefits and interests thereof. The subject outstanding balance arose from trade-related transactions of Aoyuan Healthy.
Sino-Ocean Service Holding Limited (“ Sino-Ocean Service ”) (6677)	a property management service provider with extensive geographic coverage in the PRC	21 July 2023 (announcement), 25 September 2023 (circular)	Yes	Sino-Ocean Service use the consideration for the acquisition of target assets, being certain parking spaces and commercial properties, for the settlement of the outstanding receivables of approximately RMB626.4 million from its connected person. The subject outstanding balance arose from business expansion related transaction of Sino-Ocean Services.

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Company name (stock code)	Principal business	Date of announcement/ circular (where applicable)	Connected transaction	Brief description of the transaction/asset settlement ^(Note 1)
A-Living Smart City Services Co., Ltd. (“A-Living Services”) (3319)	a provider of nationwide comprehensive property management services in the PRC	13 February 2023 and 30 June 2023 (announcements)	Yes	A-Living Services elected to accept unsold property assets from its creditor to settle outstanding payables due from such creditor arising from the continuing connected transactions agreements of approximately RMB282.3 million. The subject outstanding balance arose from trade-related transactions of A-Living Services.
A-Living Smart City Services Co., Ltd. (3319)	a provider of nationwide comprehensive property management services in the PRC	28 August 2023 and 20 October 2023 (announcements), 4 January 2024 (circular)	Yes	A-Living Services may, in the event that the creditor is unable to pay outstanding payables, elect to accept the unsold property assets from its creditor to settle outstanding payables due from such creditor arising from (i) the existing continuing connected transactions agreements; and (ii) the continuing connected transactions agreements for the three years ending 31 December 2026. The subject outstanding balance arose from trade-related transactions of A-Living Services.
JBB Builders International Limited (“JBB Builders”) (1903)	an engineering contractor which engaged in (i) marine construction services; (ii) building and infrastructure services; and (iii) trading business of marine gas oil	13 April 2023 (announcement) ^(Note 2)	No	Amendment of terms in relation to the settlement of outstanding contract sum in the amount of approximately RM59 million, payable by an independent third party to JBB Builders. The settlement terms, both prior to and after the amendments, involved the use of (i) properties; and (ii) monthly instalments in cash, for settlement. The subject outstanding balance arose from trade-related transactions of JBB Builders.

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Notes:

- (1) Trade-related transactions included transactions which are conducted during and/or as part of the day-to-day operations of the listed issuer's business, included fees incurred for services consumed and/or borrowings taken out for the use of the subject listed issuer.
- (2) Various announcements of JBB Builders in connection with the master supplemental agreement, including, among others, the original settlement terms, were issued during 2022, and the corresponding circular was dated 19 July 2022.

Although the five Market Precedents were conducted by various listed issuers, which may have different principal businesses, varied in sizes and financial position, the subject outstanding balance of which arose from trade-related or business expansion related transactions of the listed issuer. The Market Precedents, included both connected transactions and transactions conducted with independent third party(ies), provides a larger coverage of the market rather than narrowly focusing on a small segment of the overall market, this approach will yield a more comprehensive market reference conducted by various listed issuers for the purpose of our analysis with a view to assess whether such type of transactions (i.e. where the subject debt owner, including, where applicable, the listed issuer or its counter-party), accepted non-cash assets for the settlement of balance due from/to it, and that the rationale of the underlying transactions of the Market Precedents and the purpose of the amendments are considered to be similar in nature given that under the relevant Market Precedent, the subject debt owner(s) permits the subject creditor(s) to settle the relevant outstanding amount by non-cash asset(s) in lieu of cash payment.

Given the aforesaid reasons, in particular, the purpose of our analysis is to assess whether it is a market practice for the subject debt owner(s) permits the subject creditor(s) to accept the settlement of the relevant outstanding amount by non-cash asset(s) in lieu of cash payment, we considered that the Market Precedents to be comparable and relevant regardless of whether the debt owner is a listed or privately held entity, as under these circumstances, the subject debt owner would still face the risks associated with the monetisation of the underlying assets obtained through the asset settlement should they choose to dispose such assets, in part or in whole, and/or the potential fluctuation in value of such underlying assets should the debt owner decides to hold the subject assets over time instead of disposing it/them in the open market shortly after the asset settlement.

Furthermore, taking into account that the Market Precedents, which included a range of companies listed on the Stock Exchange with various size and across industries as well as covering both connected transactions and transactions conducted with independent third party(ies), and that the Market Precedents are spread across the Review Period over a period of time, all of which were selected on the basis that it has satisfied all of the Selection Criteria (determined based on the underlying nature of the Asset Settlement) without preference or undue bias, we therefore consider the Market Precedents to be a sufficient sample size for the purpose of our analysis and is fair and representative, and provided a useful reference for assessing whether the Asset Settlement is in line with general market practice.

Based on our review and analysis on the Market Precedents as set out above, we considered that it is not an uncommon market practice for a listed issuer to accept or use non-cash asset(s) as a mean to settle outstanding payment(s) due from/to another party.

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3.5 Summary

Having considered, among other factors, (a) the rationale behind the Variation of Terms, which is to manage the Group's exposure and risks of not being able to recover receivables due from the Jinke Property Group; (b) the challenging operating environment faced by PRC property developers in general; (c) our analysis on the background of the Jinke Property Group, including its consolidated financial position and status; (d) the actions previously taken by the Group for the collection of outstanding receivables from members of the Jinke Property Group as set out under the paragraph headed "3.2 Background information and our analysis on the Jinke Property Group" above; (e) our analysis on the settlement mechanisms under the Variation of Terms as set out above; (f) we understand from the Management that the Asset Settlement Mechanism does not impair the rights of the Group from demanding cash settlement from the Jinke Property Group as the right to elect and accept the Asset Settlement lies with the Group. On this basis, it is an option for the Group, where it considers appropriate, to expedite the settlement of outstanding receivables from the Jinke Property Group rather than an obligation for the Group to accept the Asset Settlement; and (g) our work performed and findings in relation to the Market Precedents, identified based on our Selection Criteria, which is considered to be a useful reference for supporting that the Asset Settlement is in line with general market practice, we are of the view that the Variation of Terms is on normal commercial terms that are fair and reasonable.

4. Our analysis and assess on the Revised Annual Caps

As set out in the Letter from the Board, the Existing Annual Caps for each of the year ending 31 December 2023, 2024 and 2025 of RMB800 million will be revised downward to the Revised Annual Cap of RMB200 million for each of the year ending 31 December 2023, 2024 and 2025, respectively.

We noted from the Management, the estimated demand of property management services to be provided by the Group under the Supplemental Agreement to the 2022 Master Property Management Services Agreement is mainly driven by the progress and development of the relevant property projects of Jinke Property Group at the relevant time. In this connection, we have conducted background research on the business and operations of Jinke Property Group.

With reference to the Letter from the Board, the historical transaction amount under the Master Property Management Services Agreement for the years ended/ending 31 December 2022 and 2023 (on an annualised basis), represented a year-on-year decline of approximately 71.4%. With reference to the Letter from the Board and as advised by the Management, such decrease was mainly attributable to (i) continuous slowdown of the sales in the PRC's real estate market, which causes decrease in sales of properties by Jinke Property Group, and in turn decrease in the estimated demand for the relevant sales assistance services to be provided by the Group; (ii) the decrease in the estimated demand for the pre-delivery and aftersales services to be provided by the Group, as there was a substantial decrease in the gross floor area of the new property construction projects by Jinke Property Group; and (iii) the adjustment to the Group's operational strategy with a view to focus on the collectable and recoverability of receivables.

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To assess the reasonableness of the Revised Annual Caps, we have considered the following:

- (i) for the past three year ended/ending 31 December 2021, 2022 and 2023, the historical transaction amount totalled to approximately RMB914.6 million, RMB426.6 million and RMB121.6 million (on an annualised basis), the average yearly transaction amount of which totalled to approximately RMB486.9 million (the “**Historical Average Transaction Amount**”). On this basis, the Revised Annual Cap of RMB200 million only represent approximately 41.1% of the Historical Average Transaction Amount. Furthermore, the Revised Annual Cap amount is lower than the aforementioned historical transaction amount in two out of three years during the three-year period ending 31 December 2023;
- (ii) based on the six months ended 30 June 2023, subject to the scope of property management services provided, location, quality and resources committed for the subject property management services, we noted from information provided by the Management that the estimated property management fee for determining the Revised Annual Caps was RMB2.4 per sq.m. per month;
- (iii) as at 30 June 2023, Jinke Property Group had a total saleable land resources with an aggregate estimated GFA of approximately 52.7 million sq.m. according to its interim report for the six months ended 30 June 2023;
- (iv) obtained and reviewed a project schedule prepared by the Management in relation to the projects on hand, which may require relevant property services to be provided by the Group. We noted from the project schedule and advised by the Management that (a) it is estimated that there are not less than 200 projects, which may require the management services for display unit and on site sales office, during the two years ending 31 December 2025; (b) it is estimated that there are in the region of 200 projects during the two years ending 31 December 2025, in aggregate, that may require (aa) house inspection services; (bb) pre-delivery clean services; (cc) pre-delivery preparation services; and (dd) after-sales repair and maintenance services; (c) it is estimated that there will be approximately 3.5 million sq.m. of unsold residential property units, car parking lots, office buildings and commercial properties, up to 31 December 2025; and (d) we understand that the project schedule as mentioned above were prepared based on information available as at the Latest Practicable Date and does not include any potential new project from member(s) of Jinke Property Group, where the relevant information is not available as at the Latest Practicable Date, that may require property services to be provided by the Group during the two years ending 31 December 2024 and 2025 which may become available subsequently; and
- (v) the property management services are market driven and the relevant Revised Annual Caps should have sufficient flexibility to cater for any unforeseen increase in market demand. In addition, the property management services are a furtherance

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of the Group's principal businesses and shall broaden the revenue base of the Group. Furthermore, the Revised Annual Caps shall facilitate the continuing connected transactions under the Supplemental Agreement to the 2022 Master Property Management Services Agreement to be conducted in an effective and efficient manner without the need for the Company to seek independent Shareholders' approval on a transaction-by-transaction basis.

Having considered, among others, the abovementioned factors, we consider the basis for determining the Revised Annual Caps to be fair and reasonable.

VII. PRINCIPAL FACTORS AND REASONS CONSIDERED IN CONNECTION WITH THE DEBT SETTLEMENT AGREEMENT

1. Reasons for and benefits of entering into the Debt Settlement Agreement

With reference to the Letter from the Board, the receivables due from Jinke Property Group arising from the 2021 Framework Marketing Service Agreement is RMB532,710,768.53 (disregarding the effect of Debt Settlement) in total as at the Latest Practicable Date.

Pursuant to the Debt Settlement Agreement, the Company and Jinke Property intends to settle the Receivables under the Supplemented 2021 Framework Marketing Service Agreement through coordinating the members of Jinke Property Group to provide cash or assets (namely the car parking spaces owned by it) to offset the Receivables. If the Company and such member choose assets to offset the Receivables, Jinke Property shall produce the lists of the parking spaces available for offsetting the Receivables, and the Company is entitled to select the parking spaces listed on the list to offset the amounts not exceeding the Receivables arising from the 2021 Framework Marketing Service Agreement on a dollar-for-dollar basis.

With reference to the Letter from the Board, it is also noted that the Debt Settlement Agreement allows the Group to recover the Receivables from Jinke Property Group. The Group will transfer the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

In considering the entering into of the Debt Settlement Agreement, the Board considered that (i) the Company's provision for impairment of trade and bill receivables increased from RMB78.2 million as at 31 December 2021 to RMB1,046.5 million as at 31 December 2022 due to a substantial decline in collectable receivables as a result of continued downturn in the real estate market and downward pressure on the economy and the COVID-19 pandemic during the year of 2022; (ii) the Company's net cash inflow from operating activities recorded a decrease of approximately 11.7% as compared to that of the same period in 2021 which was mainly attributable to a slower collection of proceeds due to tight cash flow from property developers; and (iii) the realisation, pledge or leasing of the Offset Assets by the Company could improve the cashflow of the Company.

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We also summarised the following information from the Letter from the Board in respect of the marketability of the Offset Assets, the Company having considered (i) more than one-third of the Offset Assets are located in municipality or capital city of a province and most of the Offset Assets are located in second or third tier cities in the PRC; (ii) resident occupancy rate of the subject property projects where the Offset Assets are located are greater than 50%; (iii) all of the Offset Assets are under the management of the Group as at the Latest Practicable Date, in respect of which the Group has good knowledge and is familiarised with the background and characteristics of the Offset Assets, thus the Company is of the view that it is well-positioned to resell or rent the Offset Assets. After the Debt Settlement Agreement has been approved by the Independent Shareholders, the Group will send relevant on-site sales staff to attend the relevant Offset Assets for inspection and summarize selling points according to their understanding on the local market and then formulate the detailed sales strategies. By leveraging the well-established sales channels of the Group's existing real estate brokerage agency business, the Company is of the view that it is well-positioned to resell or rent the Offset Assets. The Group possesses capabilities in real estate management and operation. The Group will continue to identify, among the owners and tenants of the properties managed by the Group or in open market, suitable third parties for the sales or leases of the Offset Assets. The Group believes that such transactions are not only conducive to enhancing its ability in providing community value-added services, but would also improve the Group's revenue, both of which are in line with the Group's interests in the long term. The Company will launch the Offset Assets to the market for sales or for rent once the Debt Settlement Agreement has been approved by the Independent Shareholders.

2. Principal terms of the Debt Settlement Agreement

The following principal terms of the Debt Settlement Agreement has been extracted from the Letter from the Board:

Date

29 December 2023

Parties

The Company (on behalf of members of the Group); and Jinke Property (on behalf of members of Jinke Property Group)

Subject matter

The Offset Assets provided by Jinke Property to the Company are the right of use of the parking spaces owned by Jinke Property Group, which are located in the regions including Southwest China, Central China and North China. The Debt Settlement will be carried out by way of assignment of the right of use, including the right to occupy, use, benefit from and dispose of the parking spaces where the direct transfer of the ownership of the parking spaces cannot be directly transferred to the Company under the PRC laws and regulations. As at the Latest Practicable Date, to the best of the Directors' knowledge and having made all reasonable inquiries, there is no material legal encumbrance for the Group on assignment of right of use of the Offset Assets.

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The Offset Assets comprise of 996 air raid shelter parking spaces and 9,666 non-air raid shelter parking spaces. Pursuant to the existing PRC policies, it is not allowed to transfer the ownership of the air raid shelter parking spaces. For the non-air raid shelter parking spaces, as further elaborated in the section headed “Information on the Offset Assets” of the Letter from the Board, the Offset Assets lack the proper title certificates and building ownership for the transfer of ownership. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, in the PRC, trading in parking spaces can be carried out by the assignment of right of use in the parking spaces where the direct transfer of the ownership of the parking spaces is not available under the PRC laws and regulations or the car parking spaces lack the proper title certificates. It is a common market practice for many listed property developers in the PRC (including Jinke Property) to sell the right of use of the car parking spaces instead of the ownership in their ordinary and usual course of business. As a result, despite of the fact that the land use rights on which 882 car parking spaces (the “**Encumbrance**”) are located have been pledged to a bank in the PRC as further elaborated in the section headed “Information on the Offset Assets” of the Letter from the Board, the arrangement of assignment of right of use of the Offset Assets is not relevant to the Encumbrance.

It is noted from the Valuation Report and the Management that the aggregate fair value of the encumbered Offset Assets were approximately RMB24,520,000, representing approximately 6.1% of the total fair value of the Offset Assets.

The Debt Settlement Agreement is a framework agreement entered into according to the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement, which contains the principles, mechanisms and terms and conditions upon which the parties thereto are to carry out the transactions respectively. Following the signing of the Debt Settlement Agreement, each transferor (being a relevant member of Jinke Property Group) and the transferee (being a member of the Group) shall separately enter into a right of use transfer agreement (as the case may be) and relevant ancillary documents for the purpose of effecting the assignment of the right of use in the Offset Assets and the settlement of debt due from Jinke Property Group on a dollar-for-dollar basis. As at the Latest Practicable Date, the Group has separately entered into the right of use transfer agreement and relevant ancillary documents with the Jinke Property Group in order to lock up the relevant Offset Assets. The relevant agreements and ancillary documents will be effective upon the Debt Settlement Agreement has been approved by the Independent Shareholders.

Consideration, basis of determination of the consideration

The maximum amount for the Debt Settlement shall not exceed RMB532,710,768.53 in total. It was agreed by the Company and Jinke Property that the Receivables shall be settled on a dollar-for-dollar basis, and thus no separate cash payment will be made by the Group to Jinke Property Group. The amount of the Receivables to be settled by the Offset Assets was determined after arm’s length negotiations between the Company and Jinke Property with reference to, among others, (i) the valuation of the Offset Assets, conducted by an independent valuer in the PRC using market approach; (ii) the prevailing market prices for the comparable assets in the proximity; (iii) the expected administrative cost of the Group to realize the Offset Assets is no more than approximately RMB20.0 million; and (iv) the reasons and benefits as more particularized in the paragraphs headed “Reasons for and Benefits of the Debt Settlement Agreement” in the Letter from the Board.

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Conditions Precedent

The Debt Settlement Agreement is subject to the fulfilment of the following conditions:

- (i) the formal valuation report has been issued by an independent valuer in the PRC regarding the Offset Assets selected by the Company and the formal legal opinion has been issued by the PRC legal consultant in respect of the same;
- (ii) the Debt Settlement Agreement has been duly executed and sealed by the Company and Jinke Property;
- (iii) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement has been approved by the independent Shareholders pursuant to the Listing Rules; and
- (iv) the Debt Settlement Agreement has been approved by the Independent Shareholders pursuant to the Listing Rules.

As at the Latest Practicable Date, the condition precedent (i) and (ii) above have been fulfilled. There is no long stop date for the Debt Settlement Agreement, the Debt Settlement Agreement will come into effect after fulfilment of the conditions precedent above. Please refer to section headed “Debt Settlement Agreement” of the Letter from the Board in relation to further details of the completion of the Debt Settlement Agreement.

3. Our analysis and assessment on the principal terms of the Debt Settlement Agreement

With a view to assessing the fairness and reasonableness of the terms of the Debt Settlement Agreement, we have carried out the analysis and considered factors as set out below.

3.1 Background of the Receivables

As set out in the Letter from the Board, disregarding the effect of Debt Settlement, the Receivables represent the outstanding receivables due from Jinke Property Group arising from the 2021 Framework Marketing Service Agreement, which amounted to RMB532,710,768.53 as at the Latest Practicable Date, further background and details are set out in the announcement of the Company dated 15 December 2023.

3.2 Background information and our analysis on Jinke Property Group

Based on information available and our discussion with the Management, we noted that factors, such as, (i) the strict implementation of various PRC government policies, including, among others, the three red lines* (三條紅線) in relation to (a) the debt-to-asset ratio; (b) the net debt ratio; and (c) the cash and short term debt ratio, with the intention to promote long

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term sustainable development of the PRC property industry; and (ii) the U.S. Federal Reserve's monetary policies of maintaining a relatively high interest rate environment with a view to containing inflation throughout 2023 and into 2024, have contributed to a tightening of onshore and offshore credits and a challenging operating environment for many PRC property developers.

Furthermore, we have also reviewed the published information of Jinke Property Group, including the 2023 Jinke Property Interim Report, with a view to gain insight into the consolidated financial position and status of Jinke Property Group. Based on our work performed, we noted that, among others,

- (i) Jinke Property Group recorded due and unpaid principal of interest-bearing debt* (到期未能償還的有息債務本金) in the amount of approximately RMB28,591 million (including financial interest-bearing debt* (金融性有息負債) of approximately RMB24,658 million and other outstanding payables and loans* (其他應付款拆借款逾期) of approximately RMB3,933 million as at 30 June 2023. In addition, certain of the operating payables of Jinke Property Group were also overdue. In this connection, certain creditors had sought recovery of the overdue debts from the relevant entities of Jinke Property Group through PRC legal means, further details of which have been set out in the 2023 Jinke Property Interim Report and subsequent announcements as published by Jinke Property Group.

As at 30 June 2023, balance of cash at bank and on hand of Jinke Property Group amounted to approximately RMB10,038 million, and among the liabilities of Jinke Property Group, short-term borrowings amounted to approximately RMB6,922 million, non-current liabilities due within one year* (一年內到期的非流動負債) amounted to approximately RMB32,082 million, other outstanding payables, loans and relief fund payable* (其他應付款拆借款和紓困資金) amounted to approximately RMB9,624 million, and long-term borrowings and bonds payable amounted to approximately RMB27,896 million, which indicated that Jinke Property Group is experiencing working capital difficulties;

- (ii) unaudited revenue of the Jinke Property Group decreased slightly from approximately RMB43.4 billion for the nine months ended 30 September 2022 to approximately RMB43.1 billion for the nine months ended 30 September 2023; and
- (iii) the Jinke Property Group recorded unaudited loss attributable to its shareholders of approximately RMB2.4 billion for the nine months ended 30 September 2023.

Moreover, we also noted from the announcement of Jinke Property Group dated 1 December 2023, which set out, among others, additional ongoing litigation and arbitration cases that had not been previously disclosed, of which Jinke Property Group is the defendant or as a third party, including but not limited to, disputes relating to loans, contracts for construction projects, sales contracts of commercial housing, with the aggregate amount of approximately RMB2,752 million,

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represented over 20% of the latest published audited net assets of Jinke Property Group, and as per the announcement of Jinke Property Group dated 29 December 2023, the reorganisation of Jinke Property Group remains to be ongoing.

3.3 Follow up actions taken by the Company in relation to the collection of the Receivables

Prior to agreeing to the Variation of Terms and entering into the Debt Settlement Agreement, the Company has taken various measures and actions with a view to collect the Receivables. Please refer to the paragraph headed “3.1 Background of the Variation of Terms” under the section headed “VI. PRINCIPAL FACTORS AND REASONS CONSIDERED IN CONNECTION WITH THE CONTINUING CONNECTED TRANSACTIONS” in this letter above, setting out, among others, our analysis and review of documents provided to us by the Company regarding the actions taken for the collection of outstanding receivables from members of the Jinke Property Group. However, the outstanding amount of the Receivables due from the Jinke Property Group to the Group remained to be substantial as at the Latest Practicable Date.

Whilst the Company has previously requested Jinke Property Group (for the avoidance of doubt, excluding the Group) to settle the outstanding receivables, including the Receivables, in the form of cash. Given the abovementioned circumstances, the Company also had to considered accepting appropriate non-cash assets from Jinke Property Group (for the avoidance of doubt, excluding the Group), namely the Variation of Terms, as an alternative with a view to facilitating and expediting the settlement of the outstanding and possible receivables going forward so as to reduce its overall credit exposure in relation to such receivables. As a result of the above, the Variation of Terms were negotiated between the subject parties.

Having considered the factors as set out above, we are of the view that the Debt Settlement Agreement, which facilitates the Group to notably reduce the outstanding Receivables balance due from the Jinke Property Group, to be in the interests of the Company and its Shareholders as a whole.

3.4 Our analysis on the Offset Assets

As disclosed in the Letter from the Board, the Offset Assets comprised 10,662 parking spaces owned by the Jinke Property Group and located across different provinces across the PRC, mainly in Hunan Province, Jiangxi Province, Guizhou Province and Hubei Province. Furthermore, we note from the Letter from the Board and the Management that the Offset Assets have been retained as inventories since the completion of its development by Jinke Property Group and the Offset Assets had never been specially launched for marketing for sales or for rent, therefore, there was no rental income or profit generated from the Offset Assets. Nonetheless, as further set out in our analysis below, for the respective subject property projects where the car parking spaces (i.e. the Offset Assets) are located, the subject resident occupancy rate is greater than 50%.

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Pursuant to the Debt Settlement Agreement, the acquisition of the Offset Assets will be carried out by way of assignment of the right of use, including the right to occupy, use, benefit from and dispose of the parking spaces where the direct transfer of the ownership of the parking spaces cannot be directly transferred to the Company under the PRC laws and regulations. As set out in the Letter from the Board, pursuant to the advice of the PRC counsel, as the Jinke Property Group has obtained the relevant certificates of state-owned land use right for the Offset Assets, the lack of relevant title certificates of building ownership will not affect the right of the owner to occupy, use, benefit from and dispose of the right of use of the car parking spaces. Based on our market research on transactions conducted by listed companies on the Stock Exchange since 2022, including, among others, China Overseas Property Holdings Limited (stock code: 2669), Binjiang Service Group Co. Ltd. (stock code: 3316), Yuexiu Services Group Limited (stock code: 6626), Sino-Ocean Service Holding Limited (stock code: 6677), Dexin Services Group Limited (stock code: 2215) and Beijing Capital Jiaye Property Services Co., Limited (stock code: 2210), we considered that the sale of the right of use of car parking spaces is not uncommon for the transfer of car parking spaces.

As discussed with the Management, we noted that the relevant property projects comprising the Offset Assets are, or are expected to be under the management of the Group, in respect of which the Group has good knowledge and is familiarised with the background and characteristics of the Offset Assets. Given such knowledge and the relevant experience possessed by the Group, it is expected that the Group will be well-positioned to deploy the Offset Assets as considered fit. The Group intends to identify, among the owners and tenants of the properties managed by the Group or in open market, suitable third parties for the sales or leases of the Offset Assets.

Furthermore, pursuant to the Debt Settlement Agreement, the Offset Assets were acquired by the Group at a small discount of approximately 0.6% to the valuation of the Offset Assets (with reference to the valuation report on the Offset Assets issued by an independent valuer (the “**Valuation Report**”), which is prepared under market approach) for offsetting against the Receivable. For our analysis and work performed on the Valuation Report, please refer to the section headed “3.5 Our work performed in relation to the appraised value of the Offset Assets” in this letter below.

In respect of the Group’s selection of the Offset Assets for offsetting the Receivables as provided by the Jinke Property, we understand from the Management that various factors were taken into consideration, among others, (i) the marketability and saleability of the subject assets, which was evaluated by considering factors including (a) the location of the respective Offset Assets, more than one-third of which are located in municipality or capital city of a province and most of the Offset Assets are located in second or third tier cities in the PRC which enjoys the net population inflow; (b) the resident occupancy rate of the respective property project being more than 50%; (c) the sales of car parking spaces as well as the occupancy of the nearby property projects of the respective Offset Assets. The Offset Assets are under the management of the Group as at the Latest Practicable Date, in respect of which the Group has good knowledge and is familiarised with the background and characteristics of the Offset Assets, and (d) with the increase in occupancy rate of the property projects, the

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demand for car parking space is expected to increase significantly, and therefore it is expected that the Group will be well-positioned to resell the Offset Assets, by targeting occupants of the nearby properties with car-ownership. The Group will introduce the Offset Assets to the market through various channels, including bulletin boards, property butler services and leverage on the Group's existing customer base and network as soon as practicable after the fulfilment of the conditions precedent of the Debt Settlement Agreement. The Group has a sizeable sales team with over 130 people managed and led by experienced sales managerial personnel, each with not less than five years of relevant experience covering four regions of the PRC, namely Chongqing, Sichuan, Eastern China and Central China, to dispose the Offset Assets. The Offset Assets will be introduced to the market in stages allowing the Group to manage the supply strategically after taking into consideration the prevailing market demand and conditions at the material time; and (ii) if there is any encumbrance on any Offset Assets and that the value of the Offset Assets has been adversely affected by such encumbrance in the future, the Jinke Property Group will be obliged to pay the Company the difference between the relevant debts to be offset and the amounts that have been realised by the Group from the sale or lease of such encumbered Offset Assets.

As set out in the Letter from the Board, in the event that the bank enforces the pledge on the land, the unsold encumbered Offset Assets may be confiscated by the bank, yet any proceeds previously generated from the sales or lease of the encumbered Offset Assets will not be confiscated by the bank but still belong to the Company. However, the purchasers of the sold encumbered Offset Assets may claim the return of the sales proceeds in a PRC court. Advised by the PRC counsel, if the PRC court support such claim, the maximum liability if the Company is to return the sales proceeds for the sold encumbered Offset Assets to the purchaser pursuant to the contract and will not incur any further fine or compensation.

In such circumstance, Jinke Property is obliged to compensate the Group if the value of the Offset Assets has been adversely affected. The amount of debt to be offset by each car parking space has been further stipulated in the individual agreement (including the for the acquisition of the 882 car parking spaces of Ningxiang Jinke Meiyuan (寧鄉金科美苑)). The finance department of the Company will calculate the difference between the relevant debts to be offset and the amount that have been realized from the sales or lease of such Offset Assets (excluding the sales proceeds returned or to be returned to the purchasers) by the Group according to its management account which will be further reviewed and confirmed by the external auditor appointed by Jinke Property Group. After the difference has been ascertained, the Company will require the Jinke Property Group to pay such difference in cash or settle the debt with other assets within twelve months from the date of ascertaining the outstanding difference pursuant to the individual agreement (the “**Compensatory Mechanism**”).

The Company will rely on the Compensatory Mechanism to require compensation from Jinke Property, pursuant to which, Jinke Property is obliged to compensate the Group if the value of the Offset Assets has been adversely affected.

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In this connection, we have assess the potential risks and the relevant risk management mechanisms for the inclusion of the parking spaces with Encumbrance, namely the land use rights of Ningxiang Jinke Meiyuan (寧鄉金科美苑) on which 882 car parking spaces are located. We noted that the associated risks of not receiving the fair value of the encumbered Offset Assets under the Valuation Report as a result of enforcement action(s) taken by the bank on the subject land, which may lead to the unsold encumbered Offset Assets being confiscated by the bank, are managed through having the Compensatory Mechanism in place. The Compensatory Mechanism would offer downside protection to the Company and safeguard the interests of the Shareholders.

Furthermore, it is noted that Jinke Property has been involved in material litigations and is undertaking a corporate restructuring thus there are very limited unrestricted property assets which satisfied the Selection Criteria for the Group to select as at the Latest Practicable Date, against this backdrop, the inclusion of parking spaces with encumbrance as part of the Offset Assets is justifiable. Having considered the factors and our analysis above, we are of the view that the Debt Settlement Agreement is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Please refer to section headed “Information on the Offset Assets” as set out in the Letter from the Board for further information on, among others, the Selection Criteria of the Offset Assets and the reasons for the inclusion of certain parking spaces with encumbrance as the Offset Assets, namely the land use rights of the corresponding land of certain Offset Assets have been pledged to a state-owned bank in the PRC.

In addition, based on information obtained and reviewed by us, the Offset Assets, being car parking spaces within residential developments, are mainly located in well-developed cities with a sizeable population such as Tianjin City (天津市), Changsha City (長沙市), Nanchang City (南昌市), Nanning City (南寧市) as well as various cities in the He’nan Province (河南省), Hebei Province (河北省), Hu’nan Province (湖南省) and Guizhou Province (貴州省), in the PRC, each of the first three provinces recorded sizeable gross domestic product of over RMB4,000 billion in 2022⁴ and the remaining province also recorded a sizeable gross domestic product of over RMB2,000 billion in 2022⁵ and we also noted that the Offset Assets are situated, where applicable, near railway station, airport, ring road and/or intersections of road network, which is one of the key contributing factors to marketability and saleability. Based on the information obtained and reviewed by us, we also noted that the resident occupancy rate of the subject property projects where the car parking spaces are located are greater than 50%. In this connection, barring unforeseen circumstances and subject to the then prevailing economic environment, the marketability and saleability of the Offset Assets over time are in line with similar assets of this type. It is also noted that the title and ownership status of the subject assets based on due diligence performed by the Management (the “**Due Diligence**”), such as the review of legal documents of the respective assets and local policies with respect to the trading in parking spaces as well as the Valuation Report, and that there should be no material defect on the Offset Assets which will affect the saleability and the results of the Due Diligence were to the satisfaction of the Company.

⁴ Source: National Bureau of Statistics (data.stats.gov.cn/easyquery.htm?cn=E0103)

⁵ Source: National Bureau of Statistics (data.stats.gov.cn/easyquery.htm?cn=E0103)

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In this connection, we have obtained and reviewed, among others, (i) the assessment information prepared by the responsible personnel in connection with the Offset Assets, which sets out details and analysis, description and analysis on the subject property development project; (ii) the Due Diligence documents, such as the legal opinion on, among others, the title of the Offset Assets; and (iii) discussed with AVISTA Valuation Advisory Limited (the “**Independent Valuer**”) regarding the basis of the valuation in connection with the Offset Assets.

3.5 Our work performed in relation to the appraised value of the Offset Assets

The consideration for the right of use of Offset Assets is RMB398,298,749.61 (the “**Consideration**”), which was determined after arm’s length negotiation between the parties to the Debt Settlement Agreement with reference to, among others, the value of the offset Assets as at 31 December 2023 appraised by the Independent Valuer in the amount of RMB400,530,000 (the “**Appraised Value**”).

In assessing the Appraised Value, we have reviewed and discussed with representative of the Independent Valuer, the methodology of, and basis of and assumptions adopted for the Appraised Value of the right of use of Offset Assets as set out in the Valuation Report in Appendix II to the Circular.

We have discussed with representative of the engagement team of the Independent Valuer as to their expertise, valuation experience, their scope of work and valuation procedures conducted in relation to the valuation of (i) the right of use of Offset Assets. In relation to the expertise of the Independent Valuer, we noted that the signor of the Valuation Report, Mr. Vincent C B Pang, is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS with over 10 years’ experience in the valuation of properties including Hong Kong, the PRC, the U.S., East and Southeast Asia, and we have also obtained and reviewed the information on past experience of the Independent Valuer on properties in Hong Kong and the PRC. In relation to the scope of work, we noted from the engagement letter entered into between the Company and the Independent Valuer that the scope of work was appropriate for the Independent Valuer to form the opinion required to be given and there were no limitations on the scope of work which might adversely impact the degree of assurance given by the Independent Valuer in the Valuation Report. Having considered the above, we are of the view that the Independent Valuer are qualified, experienced and competent in performing business valuations and providing a reliable opinion in respect of the valuation of the Offset Assets, and we are not aware of any matters that would cause us to doubt the Independent Valuer’s expertise and the sufficiency of the scope of work.

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We also noted that the Independent Valuer reviewed the background information and other relevant data concerning the Offset Assets, reviewed the applicable legal documents, titles/registrations/permits/licenses relating to the right of use of Offset Assets. The Independent Valuer made no allowance in the valuation for any charges, mortgages or amounts owing on any of the Offset Assets valued nor for any expenses or taxation which may be incurred in effecting a sale, which is in line with common valuation practice.

Basis of the Valuation

As set out in the Valuation Report, it was compiled with Royal Institution of Chartered Surveyors (“**RICS**”) Valuation – Global Standards 2022 published by the RICS and the International Valuation Standards published from time to time by the International Valuation Standards Council.

According to the Valuation Report, the market value is defined as, “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

On this basis, the Appraised Value of the right of use of Offset Assets as set out in the Valuation Report represent the market value of the right of use of Offset Assets.

Methodology of the Valuation

According to the Valuation Report and based on our discussion with the Independent Valuer for the methodologies, basis and assumptions adopted by the Independent Valuer, we understood that the Independent Valuer has considered three generally accepted approach, namely the cost approach, the income approach and the market approach in the Valuation.

The cost approach would consider the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history.

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

Market approach assumes sale of the property in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered relevant factors and information available, the Independent Valuer adopted the market approach in valuing the right of use of the Offset Assets, which are held by Jinke Property Group for sale in the PRC, assuming sale of each of these properties in its existing state by making reference to the unit rates as adjusted by the floor, location, time and size of not less than three comparable sales transactions located in the area close to the subject property with similar nature, use, size and accessibility as each of the subject Offset Assets as available in the relevant market, subject to appropriate adjustments including but not limited to location, accessibility, age, quality, time and other relevant factors, which may include, (i) useful life adjustment, which takes into consideration the different in the useful life of the Offset Assets and the comparable properties; and (ii) accessibility adjustment, which takes into account the accessibility of the car parking spaces based on which floor the subject parking space is situated between the subject properties and the comparable properties to reflect the differences in the price and characteristics of the underlying parking spaces as compared to subject Offset Assets. Based on information obtained and our discussion with the Independent Valuer, we noted and the Independent Valuer has confirmed that the comparable properties of the subject Offset Assets are located in the same region with comparable nature and quality, the reference transaction/price used are typically within a period of 12 months. We have reviewed these adjustments and discussed with the Valuer on the rationale and methodologies for arriving at the adjustments, and were given to understand that the properties are the right of use of car parking spaces, comparable sales transactions and information about such sales are generally available, the Independent Valuer considered that the adoption of the market approach is in line with the market practice, we have not identified any major factors that cause us to doubt the reasonableness of the abovementioned adjustments applied by the Valuer in arriving at the Appraisal Value, and therefore we concur with the Valuer that the valuation methodology, including the adjustments, to be fair and reasonable.

When adopting market approach, the Independent Valuer made reference to transactions involving similar scale properties of similar use type subject to appropriate adjustments as mentioned above.

We have conducted independent research on not less than 30 transaction circulars in relation to notifiable and/or connected transactions in relation to acquisition or disposal of real estate related assets published by companies listed on the Main Board and GEM operated by the Stock Exchange over a period of six months ended on and including the Latest Practicable Date. Considering that (i) recent transactions are more relevant and representative of the prevailing market practice of valuation; and (ii) the valuation methodology adopted by the respective valuers for the subject property valuation set out in a majority of these identified transaction circulars were market approach. Based on the above, we concur with the Independent Valuer that adopting the market approach for the valuation of real estate related assets such as the Offset Assets is in line with general market practice.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our view

Based on our analysis and work performed, we are of the view that the valuation methodology applied by the Independent Valuer involving the use of comparable sales transactions, having selected based on factors such as nature, use, size and accessibility of each of the subject Offset Assets with relevant adjustments for comparison purposes is therefore appropriate and having considered that the Appraised Value as set out in the Valuation Report, which was arrived at and compiled with “RICS Valuation – Global Standards 2022” published by the RICS and the International Valuation Standards published from time to time by the International Valuation Standards Council, determined by the Independent Valuer after their work performed, we are of the view that the Appraised Value is an appropriate reference point to assess the fair and reasonableness of the Consideration under the Debt Settlement Agreement.

3.6 Potential financial effects of the Debt Settlement Agreement

As discussed with the Management, we understand that the subsequent resale of and/or rental income from leasing of the Offset Assets will increase the other income of the Group going forward.

In addition, as advised by the Company, immediately upon completion of the acquisition of the Offset Assets contemplated under the Debt Settlement Agreement, it is expected that the Offset Assets will be classified as right-of-use assets of the Group and therefore the Group’s right-of-use assets would increase, and the Receivables would be reduced as it is offset upon the completion of the acquisition.

VIII. RECOMMENDATION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, for the Continuing Connected Transactions we have considered the above principal factors and reasons, in particular:

- (i) the reasons for and benefits of entering into the Supplemental CCT Agreements;
- (ii) the financial position and status of Jinke Property Group;
- (iii) our analysis and assessment on the variation of payment terms to the Existing CCT Agreements, including our analysis on the Variation of Terms, the Asset Settlement and the Market Precedents; and
- (iv) our work performed and analysis on the basis for determining the Revised Annual Caps,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, for the Debt Settlement Agreement and the transactions contemplated thereunder, we have considered the principal factors and reasons as set out in this letter, in particular:

- (i) the reasons for and benefits of entering into the Debt Settlement Agreement;
- (ii) the financial position and status of Jinke Property Group as set out in the section headed “3.2 Background information and our analysis on Jinke Property Group”;
- (iii) our work performed on the Offset Assets as set out in the section headed “3.4 Our analysis on the Offset Assets”, including our analysis on the selection of the Offset Assets, considering that Jinke Property has been involved in material litigations and is undertaking a corporate restructuring thus there are very limited unrestricted property assets which satisfied the Selection Criteria for the Group to select as at the Latest Practicable Date, the consideration for the Offset Assets represents a small discount to the Appraised Value, the Compensatory Mechanism offers downside protection to the Company in relation to the parking spaces with Encumbrance; and
- (iv) the Appraised Value and our work performed as set out in the section headed “3.5 Our work performed in relation to the appraised value of the Offset Assets”,

we consider that the entering of (i) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; (ii) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (iii) the Debt Settlement Agreement, to be in the ordinary and usual course of business, and the terms of (i) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; (ii) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (iii) the Debt Settlement Agreement, are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the EGM to approve (i) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement; (ii) the Supplemental Agreement to the 2022 Master Property Management Services Agreement (including the Revised Annual Caps); and (iii) the Debt Settlement Agreement.

Yours faithfully,
for and on behalf of
Red Sun Capital Limited
Lewis Lai
Managing Director

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over 17 years of experience in the corporate finance industry.

* For identification purposes only

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors', Supervisors' and the Chief Executives' interests in the securities of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors, the Supervisors 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, were as follows:

(i) *Interests in the shares of the Company*

Name of Director	Nature of Interest	Class of Shares	Number of Shares⁽¹⁾	Approximate Percentage of the Company's Issued Share Capital
Xia Shaofei (夏紹飛)	Beneficial owner	H shares	210,000(L)	0.03%
Han Qiang (韓強)	Beneficial owner	H shares	120,000(L)	0.02%

Note:

(1) The letter "L" denotes the person's long position in the shares.

Save as Mr. Xu Guofu who holds management positions in Chongqing Jinke Investment Holding (Group) Co., Ltd. (重慶市金科投資控股(集團)有限責任公司) and Mr. Shi Cheng who holds management positions in Jinke Property Group, none of the Directors is a director or employee of a company which has an interest in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date:

- (i) none of the Directors nor Supervisors 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;
- (ii) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group; and
- (iii) save for Mr. Xu Guofu and Mr. Shi Cheng, none of the other Directors is also an employee or director of any substantial shareholder of the Company.

4. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors nor Supervisors had any existing or proposed service contracts with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor Supervisors or their respective close associates had engaged or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses 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 audited financial statements of the Company were made up.

7. EXPERT AND CONSENT

As at the Latest Practicable Date, each of Red Sun Capital Limited and AVISTA Valuation Advisory 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. 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 following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Red Sun Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
AVISTA Valuation Advisory Limited	independent valuer

Each of Red Sun Capital Limited and AVISTA Valuation Advisory 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.

As at the Latest Practicable Date, each of Red Sun Capital Limited and AVISTA Valuation Advisory Limited (i) does not have any shareholding in the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Group; and (ii) did not have any interest, direct or indirect, in any assets since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up, have been acquired or disposed of by or leased to the Company, or are proposed to be acquired or disposed of by or leased to the Company.

8. MISCELLANEOUS

The English text of this circular shall prevail over its respective Chinese text for the purpose of interpretation.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jinkeservice.com) from the date of this circular up to and including the date of the EGM (being not less than 14 days):

- (a) the Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement;

- (b) the Supplemental Agreement to the 2022 Master Property Management Services Agreement;
- (c) the Debt Settlement Agreement;
- (d) the valuation report of AVISTA Valuation Advisory Limited; and
- (e) the written consent of the Independent Financial Adviser, which was referred to in the section headed “Qualification of Expert and Consent” in this appendix.

The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 December 2023 of the property interests held by the Target Company.



Suites 2401-06, 24/F, Everbright Centre, 108 Gloucester Road,
Wan Chai, Hong Kong

TEL : +852 3702 7338 FAX : +852 3914 6388

info@avaval.com

www.avaval.com

21 March 2024

The Board of Directors
Jinke Smart Services Group Co., Ltd. (金科智慧服務集團股份有限公司)
40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wan Chai, Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Jinke Smart Services Group Co., Ltd. (金科智慧服務集團股份有限公司) (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") for us to carry out the valuation of the property interests (the "Properties") located in the People's Republic of China (the "PRC") held by the Jinke Property Group Co., Ltd (金科地產集團股份有限公司) (the "Target Company") and its subsidiaries (hereinafter together referred to as the "Target Group"), we confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 December 2023 (the "Valuation Date").

BASIS OF VALUATION AND VALUATION STANDARDS

Our valuation is carried out on a market value basis, which is defined by the Royal Institution of Chartered Surveyors as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing the Properties, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the RICS Valuation – Global Standards 2022 published by the Royal Institution of Chartered Surveyors ("RICS") and the International Valuation Standards published from time to time by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuation of the Properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the Properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In the course of our valuation of the Properties in the PRC, we have relied on the advice given by the Target Group and its legal adviser, being SGLA Law Firm (上海中聯(重慶)律師事務所) (the “PRC Legal Adviser”), regarding the title to the Properties.

In valuing the Properties, we have relied on a legal opinion regarding the Properties provided by the PRC Legal Adviser dated 4 January 2024 (the “PRC Legal Opinion”). Unless otherwise stated, the Target Group has legally obtained the land use rights of the Properties.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed.

VALUATION METHODOLOGY

The Properties have been valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the subject properties. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the subject properties. This approach is commonly used to value properties where reliable market evidence is available.

We have assigned no commercial value to the property interests for which the Target Group has not possessed either the land titleship or the building ownership documents.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the Properties in the PRC. Where possible, we have examined the original documents to verify the existing title to the Properties in the PRC and any material encumbrance that might be attached to the Properties or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the PRC Legal Opinion given by the PRC Legal Adviser, concerning the validity of title of the Properties in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the subject properties. The site inspection was carried out between 16 October and 19 October 2023 by Arya Lin (Senior Valuer). She has more than 3 years' experience in valuation of properties in the PRC.

In the course of our inspection, we did not note any serious defects. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon, nor have we conducted structural surveys to ascertain whether the subject properties are free of rot, infestation, or any other structural defects. Additionally, no tests have been carried out on any of the utility services. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Target Group or the PRC Legal Adviser or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Target Group. We have also sought confirmation from the Target Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuations are summarized below, and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited
Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Note: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in the valuation of properties including Hong Kong, the PRC, the U.S., East and Southeast Asia.

SUMMARY OF VALUES

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
1.	396 car parking spaces of Tangshan Jimeijun, North of the intersection of North Second Ring Road and Tangfeng Road, Fengrun District, Tangshan City, Hebei Province, the PRC (中國河北省唐山市豐潤區北二環路與唐豐路交匯處以北唐山集美郡的396個車位)	No Commercial Value	100%	No Commercial Value
2.	3 car parking spaces of Tianhu Beiyuan, Southeast of the intersection of Xuanwu Lake Road and Changhai Road, Jinghai District, Tianjin City, the PRC (中國天津市靜海區玄武湖路與常海道交匯處東南天湖北苑的3個車位)	No Commercial Value	100%	No Commercial Value
3.	382 car parking spaces of Tianhu Nanyuan, Southeast of the intersection of Taihu Lake Road and Changhai Road, Jinghai District, Tianjin City, the PRC (中國天津市靜海區太湖路與常海道交匯處東南天湖南苑的382個車位)	No Commercial Value	100%	No Commercial Value

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
4.	305 car parking spaces of Yichang Jimei Yangguang, No. 280 Development Avenue, Yiling District, Yichang City, Hubei Province, the PRC (中國湖北省宜昌市夷陵區發展大道280號宜昌集美陽光的305個車位)	No Commercial Value	100%	No Commercial Value
5.	51 car parking spaces of Yulin Jimei Tianchen, No. 472 Shengli Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區玉林市玉州區勝利路472號玉林集美天辰的51個車位)	No Commercial Value	100%	No Commercial Value
6.	617 car parking spaces of Nanning Jinke Guantianxia, No. 6 Luowen Avenue, Xixiangtang District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市西鄉塘區羅文大道6號南寧金科觀天下的617個車位)	No Commercial Value	100%	No Commercial Value

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
7.	1348 car parking spaces of Nanchang Jimei Yangguang, No. 1088 Haitang North Road, Xinjian District, Nanchang City, Jiangxi Province, the PRC (中國江西省南昌市新建區海棠北路1088號南昌集美陽光的1348個車位)	No Commercial Value	100%	No Commercial Value
8.	135 car parking spaces of Ganzhou Jimei Gongguan, West of the intersection of Meilin Street and Wenchangge Road, Ganxian District, Ganzhou City, Jiangxi Province, the PRC (中國江西省贛州市贛縣區梅林大街與文昌閣路交匯處以西贛州集美公館的135個車位)	No Commercial Value	100%	No Commercial Value
9.	47 car parking spaces of Zaoyang Jinke Guantianyue, No. 6 Youfang Lane, Zaoyang City, Xiangyang City, Hubei Province, the PRC (中國湖北省襄陽市棗陽市油坊巷6號棗陽金科觀天樾的47個車位)	No Commercial Value	100%	No Commercial Value

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
10.	882 car parking spaces of Ningxiang Jinke Meiyuan, The intersection of Ningxiang Avenue and Ziyuen Road, Ningxiang City, Changsha City, Hu'nan Province, the PRC (中國湖南省長沙市寧鄉市寧鄉大道與資源路交匯處寧鄉金科美苑的882個車位)	No Commercial Value	100%	No Commercial Value
11.	603 car parking spaces of Jimei Jiulonghu, The intersection of Longhushan Avenue and Huilong Road, Jiulonghu New Area, Honggutan District, Nanchang City, Jiangxi Province, the PRC (中國江西省南昌市紅谷灘區九龍湖新區龍虎山大道與回龍路交匯處集美九龍湖的603個車位)	No Commercial Value	100%	No Commercial Value
12.	1137 car parking spaces of Meidi Jinke Tanyue, Southeast of the intersection of Yuelu Street and Yangliu Road, Zhengxiang District, Hengyang City, Hu'nan Province, the PRC (中國湖南省衡陽市蒸湘區岳麓街與楊柳路交匯處東南美的金科檀樾的1137個車位)	No Commercial Value	100%	No Commercial Value

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
13.	600 car parking spaces of Changsha Shijiecheng, No. 468 Leifeng Avenue, Yuelu District, Changsha city, Hu'nan Province, the PRC (中國湖南省長沙市岳麓區雷鋒大道468號長沙世界城的600個車位)	No Commercial Value	80%	No Commercial Value
14.	725 car parking spaces of Yueyang Meidi Jinkejun, East of the intersection of Yujiashan Road and Chunfeng Avenue, Yueyang County, Yueyang City, Hu'nan Province, the PRC (中國湖南省岳陽市岳陽縣喻家山路與春風大道交匯處以東岳陽美的金科郡的725個車位)	No Commercial Value	100%	No Commercial Value
15.	137 car parking spaces of Xiangyang Jinke Jimeifu, No. 194 Hangkong Road, Xiangzhou District, Xiangyang City, Hubei Province, the PRC (中國湖北省襄陽市襄州區航空路194號襄陽金科集美府的137個車位)	No Commercial Value	100%	No Commercial Value

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
16.	1911 car parking spaces of Meidi Liuye Heyuan, Northwest of the intersection of Liuchang Road and Liuping Road, Wuling District, Changde City, Hu'nan Province, the PRC (中國湖南省常德市武陵區柳常路與柳平路交匯處西北美的柳葉和園的1911個車位)	No Commercial Value	100%	No Commercial Value
17.	240 car parking spaces of Zaoyang Jinke Guantianxia, Yanhe West Road, Zaoyang City, Xiangyang City, Hubei Province, the PRC (中國湖北省襄陽市棗陽市沿河西路棗陽金科觀天下的240個車位)	No Commercial Value	100%	No Commercial Value
18.	727 car parking spaces of Zunyi Zhongyang Gongyuancheng, Xinpu Avenue, Honghuagang District, Zunyi City, Guizhou Province, the PRC (中國貴州省遵義市紅花崗區新蒲大道遵義中央公園城的727個車位)	No Commercial Value	100%	No Commercial Value

No.	Property	Market value in existing state as at 31 December 2023 RMB	Interest Attributable to the Target Company	Market value Attributable to the Target Company as at 31 December 2023 RMB
19.	416 car parking spaces of Jiaozuo Jimei Qingchuan, Southeast of the intersection of Wenchang Road and Jiefang East Road, Macun District, Jiaozuo City, He'nan Province, the PRC (中國河南省焦作市馬村區文昌路與解放東路交匯處東南焦作集美晴川的416個車位)	No Commercial Value	100%	No Commercial Value
	Total:	No Commercial Value		No Commercial Value

VALUATION CERTIFICATE

Property interests held for sale by the Target Company in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
1.	396 car parking spaces of Tangshan Jimeijun, North of the intersection of North Second Ring Road and Tangfeng Road, Fengrun District, Tangshan City, Hebei Province, the PRC (中國河北省唐山市豐潤區北二環路與唐豐路交匯處以北唐山集美郡的396個車位)	<p>The property comprises 267 non-civil air defense car parking spaces and 129 civil air defense car parking spaces within a residential development, namely Tangshan Jimeijun (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2020.</p> <p>The Development is located in Fengrun District, Tangshan City, with approximately 8.8 km to Tangshan North Railway Station and 19.1 km to Tangshan Sannvhe Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 29 April 2088 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 8, 13, 18, 21, 23 to 24, 29, 31 to 34, 55, 58, 61, 64, 73, 93, 96, 99, 105, 112 to 113, 115 to 121, 124, 127 to 133 and 135 to 143 located at district 2; Nos. 2, 4, 7, 15, 18, 21, 24, 27, 30, 36, 41, 47, 50, 53, 71, 75, 79 to 80, 82 to 85, 88, 91 to 92, 94, 96 to 99, 101 to 108, 110, 112, 113, 115 to 126, 128 to 129, 131 to 134, 138, 141, 144 and 146 to 147 located at district 4; Nos. 2 to 3, 5, 11, 15, 17 to 23, 25 to 33, 36 to 42, 46 to 47, 62, 65, 87, 89 to 90, 92 to 93, 96 to 97, 105 to 112, 114, 121 and 123 to 132 located at district 5; Nos. 1 to 20, 27 to 28, 31, 33 to 34, 37, 47 to 49, 51 to 52, 54, 57, 60, 63, 71, 73 to 74, 77, 80, 83, 86, 93 to 94, 97, 100, 103, 109, 117 to 120, 123, 127 to 128, 134, 137, 140, 142 to 143 and 145 to 146 located at district 6; Nos. 1 to 2, 5, 8, 10 to 11, 14, 17 to 20, 24 to 28, 31, 34, 36, 45, 48, 57, 61 to 62, 64

to 65, 67, 79, 92 to 102, 104 to 108 and 110 to 129 located at district 7; Nos. 5 to 7, 9, 11 to 12, 15, 19 to 21, 24 to 27, 29, 31 to 32, 35, 43, 45 to 46, 49, 52, 54 to 55, 61, 66, 69, 72, 75, 89, 92, 98, 112, 115, 118 and 128 located at district 8, Nos. 3 to 4, 8, 10 to 11, 14, 16 to 27, 30, 33 to 39, 41 to 49, 51, 60, 63 to 69, 72, 75 to 76, 79, 93, 96, 99, 106, 113, 119, 122, 125 and 128 located at district 9; and No. 133 located at district 12 in Tangshan Jimeijun, North of the intersection of North Second Ring Road and Tangfeng Road, Fengrun District, Tangshan City, Hebei Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate – Ji (2021) Feng Run Qu Bu Dong Chan Quan Di No. 0009985 issued by Fengrun District Sub-bureau of Tangshan Municipal Bureau of Natural Resources and Planning (唐山市自然資源和規劃局豐潤區分局), the land use rights of the Development with a total site area of approximately 67,630.58 sq.m. for a term expiring on 29 April 2088 for residential use and the building ownership of the Development with a total gross floor area of approximately 221,913.92 sq.m. for residential, storage and car parking use have been vested in Tangshan Jinyao Real Estate Development Co., Ltd. (唐山金耀房地產開發有限公司, “Tangshan Jinyao”), in which the Target Company holds an indirect ownership stake of 100%.

As confirmed by the Target Group, the property is a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No.130208201800007, permission for the planning of a land parcel with a total site area of approximately 67,630.58 sq.m. has been granted to Tangshan Jinyao.

As confirmed by the Target Group, the property is a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 130208201800012 in favour of Tangshan Jinyao, the construction work of the Development with a total gross floor area of approximately 231,540.67 sq.m. has been approved for construction.

As confirmed by the Target Group, the property is a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 130208201810100101 in favour of Tangshan Jinyao, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 69,167.43 sq.m..

As confirmed by the Target Group, the property is a portion of the abovementioned permit.

6. Purchase to a sale and purchase agreement dated 18 March 2022 between Tangshan Jinyao and Tianjin Jinke Junxu Real Estate Development Co., Ltd. (天津金科駿旭房地產開發有限公司, “Tianjin Jinke Junxu”), in which the Target Company holds an indirect ownership stake of 100%, the rights-of-use of 381 car parking spaces have contracted to be purchased by Tianjin Jinke Junxu at a total consideration of RMB4,155,963.30.

As confirmed by the Target Group, 178 car parking spaces of the subject property are included in the aforementioned agreement.

7. In undertaking our valuation, we have assigned no commercial value to the property since Tangshan Jinyao and Tianjin Jinke Junxu have yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB12,000,000, assuming the rights-of-use of the property could be freely transferred in the market.

8. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Tangshan Jinyao has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate. Tianjin Jinke Junxu has not obtained the land use rights of the property;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 17 July 2023, Tangshan Jinyao has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of 89 non-civil air defense car parking spaces in compliance with the regulations of PRC laws;

- c. As confirmed by the Target Group, as of the property rights registration information query date on 17 July 2023, Tangshan Jinyao has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws;
 - d. As confirmed by the Target Group, as of the property rights registration information query date on 17 July 2023, Tianjin Jinke Junxu has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of 178 non-civil air defense car parking spaces in compliance with the regulations of PRC law;
 - e. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - f. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
9. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.
 10. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
 11. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB27,300 to RMB33,400 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
2.	3 car parking spaces of Tianhu Beiyuan, Southeast of the intersection of Xuanwu Lake Road and Changhai Road, Jinghai District, Tianjin City, the PRC (中國天津市靜海區玄武湖路與常海道交匯處東南天湖北苑的3個車位)	<p>The property comprises 3 non-civil air defense car parking spaces within a residential development, namely Tianhu Beiyuan (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2019.</p> <p>The Development is located in Jinghai District, Tianjin City, with approximately 34.3 km to Tianjin Railway Station and 42.7 km to Tianjin Binhai International Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 20 March 2083 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 165, 340 and 401 located at Tianhu Beiyuan, Southeast of the intersection of Xuanwu Lake Road and Changhai Road, Jinghai District, Tianjin City, the PRC.

- Pursuant to a State-owned Land Use Right Certificate – Fang Di Zheng Jin Zi Di No. 123051300291 issued by Tianjin Municipal Bureau of Land and Housing Administration (天津市國土資源和房屋管理局), the land use rights of the Development with a total site area of approximately 46,958.60 sq.m. have been granted to Tianjin Binyao Real Estate Co., Ltd. (天津濱耀置業有限公司, “Tianjin Binyao”), in which the Target Company holds an indirect ownership stake of 100%, for a term expiring on 20 March 2083 for residential use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – 2017 Jing Hai Di Zheng 0011, permission for the planning of a land parcel with a total site area of approximately 46,958.80 sq.m. has been granted to Tianjin Binyao.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – 2017 Jing Hai Jian Zheng 0081 in favour of Tianjin Binyao, the construction work of the Development with a total gross floor area of approximately 75,865.00 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 1202232017081502121 in favour of Tianjin Binyao, permission has been given by the relevant local authority to commence the construction work of the Development with a total gross floor area of approximately 75,865.00 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Tianjin Binyao has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB100,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Tianjin Binyao has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the State-owned Land Use Right Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 13 July 2023, Tianjin Binyao has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB31,900 to RMB35,600 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
3.	382 car parking spaces of Tianhu Nanyuan, Southeast of the intersection of Taihu Lake Road and Changhai Road, Jinghai District, Tianjin City, the PRC (中國天津市靜海區太湖路與常海道交匯處東南天湖南苑的382個車位)	<p>The property comprises 382 non-civil air defense car parking spaces within a residential development, namely Tianhu Nanyuan (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2019.</p> <p>The Development is located in Jinghai District, Tianjin City, with approximately 34.2 km to Tianjin Railway Station and 42.6 km to Tianjin Binhai International Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 8 December 2083 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 4, 21 to 24, 27 to 31, 36, 38, 41, 43, 47, 50 to 51, 58, 60, 62, 65, 73, 80 to 81, 84, 91 to 96, 98 to 99, 102 to 109, 112 to 118, 123 to 127, 129 to 135, 137 to 145, 148 to 151, 154 to 158, 160 to 164, 169 to 174, 177 to 179, 182 to 185, 187, 189, 191 to 195, 211 to 212, 215, 218, 220 to 224, 226 to 230, 240, 243 to 244, 246, 249, 252, 254 to 258, 260 to 263, 274, 276, 279 to 285, 287, 304, 307, 309 to 311, 319, 322, 324 to 325, 334 to 335, 341 to 342, 345 to 350, 354 to 359, 362, 367 to 374, 376 to 378, 381 to 382, 384 to 385, 394 to 425, 428 to 446, 449 to 455, 462, 464 to 465, 467 to 472, 476 to 487, 491, 494 to 497, 502 to 504, 507, 509, 511, 521 to 522, 533 to 534, 537, 542, 544, 548, 553, 561, 570, 578, 591, 593 to 597, 605, 607 to 609, 612 to 619, 623 to 624, 626 to 628, 630 to 631, 634 to 639, 652 to 654, 657 to 662, 665, 679, 681 to 694, 697 to 707, 710 to 721, 733 to 734, 739 to 740, 744, 754, 762, 768, 804, 809, 843 to 844, 874, 878, 880, 890 and 899 to 900 located at Tianhu Nanyuan, Southeast of the intersection of Taihu Lake Road and Changhai Road, Jinghai District, Tianjin City, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Jin (2016) Jing Hai Qu Bu Dong Chan Quan Di No. 1012517 issued by Tianjin Municipal Bureau of Land and Housing Administration (天津市國土資源和房屋管理局), the land use rights of the Development with a total site area of approximately 124,367.50 sq.m. have been granted to Tianjin Binao Real Estate Co., Ltd. (天津濱奧置業有限公司, “Tianjin Binao”), in which the Target Company holds an indirect ownership stake of 100%, for a term expiring on 8 December 2083 for residential use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – 2017 Jing Hai Di Zheng 0051, permission for the planning of a land parcel with a total site area of approximately 124,368.10 sq.m. has been granted to Tianjin Binao.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – 2017 Jing Hai Jian Zheng 0146 in favour of Tianjin Binao, the construction work of a portion of the Development with a total gross floor area of approximately 161,188.08 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to 2 Construction Work Commencement Permits – No. 1202232017121901121 and 1202232018062001121 in favour of Tianjin Binao, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 161,188.08 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Tianjin Binao has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB13,120,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Tianjin Binao has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 13 July 2023, Tianjin Binao has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB31,900 to RMB35,600 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
4.	305 car parking spaces of Yichang Jimei Yangguang, No. 280 Development Avenue, Yiling District, Yichang City, Hubei Province, the PRC (中國湖北省宜昌市夷陵區發展大道280號宜昌集美陽光305個車位)	<p>The property comprises 305 non-civil air defense car parking spaces within a residential development, namely Yichang Jimei Yangguang (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2020.</p> <p>The Development is located in Yiling District, Yichang City, with approximately 11.0 km to Yichang Railway Station and 58.1 km to Yichang Sanxia Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 30 December 2076 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. A002 to A003, A005, A008, A018, A022, A028 to A032, A034, A041, A044, A047, A050, A053 to A057, A059 to A060, A062, A064 to A117, A119, A122 to A126, A128 to A138, A143, A145 to A149, A152, A154, A157 to A158, A162 to A163, A167 to A170, A172, A176 to A178, A183 to A192, A197 to A198, A203 to A221, A223 to A251, B001 to B002, B004 to B005, B012, B014, B017, B022 to B024, B026, B028 to B057, B059 to B066, B068 to B091, B093 to B096, B099, B102, B104 to B121, B136 to B163, B165 to B166, B168 to B169 and B171 to B173 located at Yichang Jimei Yangguang, No. 280 Development Avenue, Yiling District, Yichang City, Hubei Province, the PRC.

- Pursuant to a Real Estate Ownership Certificate (for land) – E (2018) Yi Ling Qu Bu Dong Chan Quan Di No. 0004732 issued by the Land and Resources Bureau of Yiling District, Yichang City (宜昌市夷陵區國土資源局), the land use rights of a portion of the Development with a total site area of approximately 16,666.71 sq.m.

have been granted to Yichang Zhongdao Real Estate Development Co., Ltd. (宜昌眾道房地產開發有限公司, “Yichang Zhongdao”), in which the Target Company holds an indirect ownership stake of 100%, for a term expiring on 30 December 2076 for residential use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di Yi Gui Yi Yong Di (2018) No. 026, permission for the planning of a land parcel with a total site area of approximately 26,589.27 sq.m. has been granted to Yichang Zhongdao.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di Yi Gui Yi Jian Yong (2018) No. 153 in favour of Yichang Zhongdao, the construction work of a portion of the Development with a total gross floor area of approximately 15,657.13 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 4205061810250117-SX-008 in favour of Yichang Zhongdao, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 55,261.76 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Yichang Zhongdao has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB9,470,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Yichang Zhongdao has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 19 July 2023, Yichang Zhongdao has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB29,600 to RMB38,000 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
5.	51 car parking spaces of Yulin Jimei Tianchen, No. 472 Shengli Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區玉林市玉州區勝利路472號玉林集美天宸的51個車位)	<p>The property comprises 51 non-civil air defense car parking spaces within a residential development, namely Yulin Jimei Tianchen (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the property was completed in 2021.</p> <p>The property is located in Yuzhou District, Yulin City, with approximately 7.2 km to Yulin Railway Station and 30.3 km to Yulin Fumian Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 31 January 2089 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. B1-2 to B1-3, B1-5, B1-13, B1-16, B1-44 to B1-45, B1-177, B1-180 to B1-181, B1-183, B1-588, B2-29, B2-39, B2-43, B2-54, B2-58, B2-61, B2-64, B2-66 to B2-67, B2-69 to B2-70, B2-72 to B2-73, B2-75 to B2-76, B2-90, B2-96 to B2-97, B2-99 to B2-100, B2-103, B2-135, B2-141 to B2-142, B2-149, B2-152 to B2-153, B2-158, B2-180, B2-183, B2-189, B2-192, B2-198, B2-200, B2-203, B2-243 to B2-246 located at Yulin Jimei Tianchen, No. 472 Shengli Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Gui (2019) Yu Lin Shi Bu Dong Chan Quan Di No. 0005429 issued by Yulin Real Estate Registration Bureau (玉林市不動產登記局), the land use rights of a portion of the Development with a total site area of approximately 42,033.81 sq.m. have been granted to Yulin Jinkairui Real Estate Development Co., Ltd. (玉林市金凱瑞房地產開發有限責任公司, “Yulin Jinkairui”), in which the Target Company holds an indirect ownership stake of 100%, for a term expiring on 31 January 2089 for residential use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. Yu Dong 450900201900017, permission for the planning of a land parcel with a total site area of approximately 42,033.81 sq.m. has been granted to Yulin Jinkairui.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permits – Jian Zi Di No. Yu Dong 450900201900022 in favour of Yulin Jinkairui, the construction work of a portion of the Development with a total gross floor area of approximately 75,095.77 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. Yu Dong 450904201905170101 in favour of Yulin Jinkairui, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 75,095.77 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Yulin Jinkairui has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the aforesaid lease period as at the Valuation Date would be RMB1,310,000, assuming the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Yulin Jinkairui has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 12 July 2023, Yulin Jinkairui has the rights to occupy, use, lease, or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws, after the property have obtained completion filing from the government authorities;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The unit prices of the comparables are ranging from RMB23,900 to RMB34,300 for each of the rights-of-use of the car parking spaces on B1/F. The unit rates adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
6.	617 car parking spaces of Nanning Jinke Guantianxia, No. 6 Luowen Avenue, Xixiangtang District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區南寧市西鄉塘區羅文大道6號南寧金科觀天下的617個車位)	<p>The property comprises 617 non-civil air defense car parking spaces within a residential development, namely Nanning Jinke Guantianxia (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2020.</p> <p>The Development is located in Xixiangtang District, Nanning City, with approximately 13.6 km to Nanning Railway Station and 43.3 km to Nanning Wuxu International Airport.</p> <p>The land use rights of the Development have been granted for terms expiring between 4 May 2087 and 6 July 2087 for residential use and between 4 May 2057 and 6 July 2057 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

1. The detailed addresses are shown as follows:

Car parking spaces Nos. A2-A2003 to A2-A2004, A2-A2007, A2-A2009 to A2-A2087, A2-A2089 to A2-A2136, A2-A2138 to A2-A2163, A2-A2167 to A2-A2177, A2-A2181 to A2-A2221, A2-A2224 to A2-A2238, A2-A2243 to A2-A2265, A2-A2267 to A2-A2269, A2-A2273, A2-A2275 to A2-A2277, A2-A2280, A2-A2283 to A2-A2285 and A2-A2287 to A2-A2288 located at district A; and Nos. A2-A2001, A2-A2003 to A2-A2208, A2-A2211 to A2-A2285, A2-A2287 to A2-A2295, A2-A2297 to A2-A2308 and A2-A2311 to A2-A2365 located at district B in Nanning Jinke Guantianxia, No. 6 Luowen Avenue, Xixiangtang District, Nanning City, Guangxi Zhuang Autonomous Region, the PRC.

2. Pursuant to 2 Real Estate Ownership Certificates (for land), the land use rights have been granted to Nanning Jinzhuoli Real Estate Development Co., Ltd. (南寧金卓立房地產開發有限公司, "Nanning Jinzhuoli"), in which the Target Company holds an indirect ownership stake of 100%, with the details as follows:

No.	Certificate No.	Land Usage	Expiry Date	Site Area (sq.m.)
1	Gui (2017) Nan Ning Shi Bu Dong Chan Quan Di No. 0062767	Residential	04 May 2087	44,795.20
		Commercial	04 May 2057	
2	Gui (2017) Nan Ning Shi Bu Dong Chan Quan Di No. 0084461	Residential	06 July 2087	43,617.81
		Commercial	06 July 2057	
Total:				88,413.01

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificates.

3. Pursuant to 2 Construction Land Planning Permits – Di Zi Di No. 450107201710006 to 450107201710007, permission for the planning of 2 land parcels with a total site area of approximately 88,411.58 sq.m. has been granted to Nanning Jinzhuoli.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

4. Pursuant to 4 Construction Work Planning Permits – Jian Zi Di No. 450107201710197, 450107201710327, 450107201810052 and 450107201810054 in favour of Nanning Jinzhuoli, the construction work of a portion of the Development with a total gross floor area of approximately 125,389.43 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to 4 Construction Work Commencement Permits – No. 450112201705170101, 450112201707260101, 450112201801040201 and No. 450112201801040301 in favour of Nanning Jinzhuoli, permission has been given by the relevant local authority to commence the construction work of the Development with a total gross floor area of approximately 501,263.06 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Nanning Jinzhuoli has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB24,870,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Nanning Jinzhuoli has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;

- b. As confirmed by the Target Group, as of the property rights registration information query date on 13 July 2023, Nanning Jinzhuoli has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
 - c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.
9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB47,200 to RMB55,300 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
7.	1348 car parking spaces of Nanchang Jimei Yangguang, No. 1088 Haitang North Road, Xinjian District, Nanchang City, Jiangxi Province, the PRC (中國江西省南昌市新建區海棠北路1088號南昌集美陽光1348個車位)	<p>The property comprises 1348 non-civil air defense car parking spaces within a residential development, namely Nanchang Jimei Yangguang (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2021.</p> <p>The Development is located in Xinjian District, Nanchang City, with approximately 19.0 km to Nanchang West Railway Station and 20.6 km to Nanchang Changbei International Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 11 October 2087 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 1 to 2, 4 to 5, 7, 9 to 10, 12, 14 to 18, 20 to 38, 40 to 44, 46, 49, 54, 58 to 59, 61, 73, 75 to 82, 85, 87 to 95, 97 to 104, 107, 112 to 115, 118 to 125, 127 to 137, 139 to 145, 147 to 160, 162 to 163, 165, 169, 173 to 174, 176, 178, 180 to 183, 185 to 206, 210 to 214, 216 to 220, 222 to 227, 229 to 235, 238 and 240, 242 to 256, 261 to 275, 277 to 278, 281 to 304, 306 to 326, 330, 332 to 336, 338 to 355, 358 to 380, 382, 384 to 387, 400 to 402 and 404 to 408 located at district A; Nos. 5, 11 to 16, 19 to 20, 25, 27 to 28, 31 to 42, 44 to 52, 59, 61 to 76, 78, 83 to 94, 96 to 98, 100 to 101, 103 to 107, 109 to 111, 113 to 114, 116 to 131, 133 to 135, 137 to 147, 149 to 152, 156 to 159, 162 to 163, 166 to 174, 176 to 191, 193 to 204, 206, 209 to 211, 213 to 214, 216, 218, 220, 222 to 227, 229 to 230, 232, 235 to 261, 263 to 266, 268 to 273, 275 to 287, 289 to 295 and 299 to 301 located at district B; Nos. 2 to 4, 8 to 9, 11, 13 to 21, 23 to 24, 26, 28, 30, 33, 35 to 36, 38 to 46, 48 to 51, 54 to 55, 57 to 58, 61, 63 to 69, 73 to 74, 77, 82 to 84, 86 to 96, 98 to 117, 119 to 120, 122 to 123, 125 to 126, 128 to 129, 131 to 141, 144 to 147, 149 to 151, 153 to 157, 159 to 167, 170 to 207, 209 to 211, 214 to 215, 220 to 234, 236 to 237, 239 to 242, 244 to 245, 247, 249 to

265, 267 to 269, 271, 273 to 277 and 282 to 292 located at district C; Nos. 2 to 5, 7 to 8, 10, 12, 14, 16 to 17, 19 to 23, 26, 28, 31 to 36, 38, 40, 43, 45 to 49, 51 to 52, 56, 58 to 65, 69, 72 to 89, 91, 93 to 94, 98 to 99, 101 to 102, 105, 110, 111, 116 to 127, 129 to 132, 136 to 138, 140 to 146, 148 to 152, 154 to 183, 186 to 206, 208 to 236, 238 to 240, 244 to 245, 247 to 248, 250 to 251, 254 to 256, 260 to 261, 264 to 268, 270 to 283, 285 to 286, 288 to 295, 297 to 298, 300 to 312, 314 to 331, 333 to 341, 345 to 349, 351 and 354 to 359 located at district D; and Nos. 1 to 3, 5 to 7, 9, 11, 17 to 57, 59 to 66, 68, 70 to 76, 79 to 81, 83 to 86, 89 to 91, 93 to 97, 99 to 100, 102 to 129, 131, 133 to 145, 147 to 149, 151 to 156, 159 to 162, 165 to 214, 216 to 218, 222, 224 to 228, 230 to 234, 236 to 244, 246 to 254, 256 to 263, 265 to 272, 274 to 317, 320 to 332 and 337 to 338 located at district E in Nanchang Jimei Yangguang, No. 1088 Haitang North Road, Xinjian District, Nanchang City, Jiangxi Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Gan (2017) Nan Chang Shi Bu Dong Chan Quan Di No. 0235064 issued by Nanchang Bureau for Real Estate Registration (南昌市不動產登記局), the land use rights of the Development with a total site area of approximately 82,623.80 sq.m. have been granted to Nanchang Jinhe Real Estate Development Co., Ltd. (南昌金合房地產開發有限公司, “Nanchang Jinhe”), in which the Target Company holds an indirect ownership stake of 100%, for a term expiring on 11 October 2087 for residential use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. 360100201820002, permission for the planning of a land parcel with a total site area of approximately 82,623.80 sq.m. has been granted to Nanchang Jinhe.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 360100201820129 in favour of Nanchang Jinhe, the construction work of a portion of the Development with a total gross floor area of approximately 59,331.84 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to 2 Construction Work Commencement Permits – No. 360101201805086101 and 361200201806226101 in favour of Nanchang Jinhe, permission has been given by the relevant local authority to commence the construction work of the property with a total gross floor area of approximately 253,931.44 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Nanchang Jinhe has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB53,790,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Nanchang Jinhe has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 14 July 2023, Nanchang Jinhe has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB34,500 to RMB46,600 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
8.	135 car parking spaces of Ganzhou Jimei Gongguan, West of the intersection of Meilin Street and Wenchangge Road, Ganxian District, Ganzhou City, Jiangxi Province, the PRC (中國江西省贛州市贛縣區梅林大街與文昌閣路交匯處以西贛州集美公館的135個車位)	<p>The property comprises 135 civil air defense car parking spaces within a residential development, namely Ganzhou Jimei Gongguan (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2020.</p> <p>The Development is located in Ganxian District, Ganzhou City, with approximately 8.2 km to Ganzhou Railway Station and 26.9 km to Ganzhou Huangjin International Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 30 August 2088 for residential use and on 30 August 2058 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 6, 9, 12, 15 to 16, 18 to 19, 26 to 30, 32 to 33, 37 to 43, 45 to 52, 55 to 57, 59 to 62, 65 to 73, 75 to 80, 82 to 83, 85 to 87, 89 to 93, 95 to 103, 105 to 107, 109, 112, 115, 117 to 118, 121, 125, 132 to 133, 135 to 136, 138 to 143, 145 to 153, 155 to 161, 165 to 173, 175 to 183, 185 to 186, 188 to 193 and 195 to 197 located at Ganzhou Jimei Gongguan, West of the intersection of Meilin Street and Wenchangge Road, Ganxian District, Ganzhou City, Jiangxi Province, the PRC.

- Pursuant to a Real Estate Ownership Certificate (for land) – Gan (2018) Gan Xian Qu Bu Dong Chan Quan Di No. 0007669 issued by Ganzhou Bureau for Real Estate Registration, Ganxian District Branch (贛州市不動產登記局贛縣區分局), the land use rights of the Development with a total site area of approximately 42,748.60 sq.m. have been granted to Ganzhou Jincheng Real Estate Development Co., Ltd. (贛州金晨房地產開發有限公司, “Ganzhou Jincheng”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 30 August 2088 for residential use and on 30 August 2058 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. 362121201807004, permission for the planning of a land parcel with a total site area of approximately 42,748.60 sq.m. has been granted to Ganzhou Jinchen.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 362121201809007 in favour of Ganzhou Jinchen, the construction work of a portion of the Development with a total gross floor area of approximately 129,076.65 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 360721201810190101 in favour of Ganzhou Jinchen, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 129,076.65 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Ganzhou Jinchen has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB5,260,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Ganzhou Jinchen has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 17 July 2023, Ganzhou Jinchen has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the non-civil air defense car parking spaces in compliance with the regulations of PRC laws;
- c. As confirmed by the Target Group, Ganzhou Jinchen has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws;
- d. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- e. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB33,600 to RMB44,800 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
9.	47 car parking spaces of Zaoyang Jinke Guantianyue, No. 6 Youfang Lane, Zaoyang City, Xiangyang City, Hubei Province, the PRC (中國湖北省襄陽市棗陽市油坊巷6號棗陽金科觀天樾的47個車位)	<p>The property comprises 47 civil air defense car parking spaces within a residential development, namely Zaoyang Jinke Guantianyue (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2022.</p> <p>The Development is located in Zaoyang City, Xiangyang City, with approximately 7.7 km to Zaoyang Railway Station and 56.3 km to Xiangyang Liuji Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 13 December 2089 for residential use and on 13 December 2059 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 2 to 22, 25 to 27, 32, 35 to 39, 41 to 45, 47 to 54 and 56 to 59 located at Zaoyang Jinke Guantianyue, No. 6 Youfang Lane, Zaoyang City, Xiangyang City, Hubei Province, the PRC.

- Pursuant to a Real Estate Ownership Certificate (for land) – E (2020) Zao Yang Shi Bu Dong Chan Quan Di No. 0001392 issued by Zaoyang Bureau for Real Estate Registration (棗陽市不動產登記局), the land use rights of the Development with a total site area of approximately 17,096.10 sq.m. have been granted to Zaoyang Jinheng Real Estate Development Co., Ltd. (棗陽市金恒房地產開發有限公司, “Zaoyang Jinheng”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 13 December 2089 for residential use and on 13 December 2059 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. 420683202000013, permission for the planning of a land parcel with a total site area of approximately 17,096.16 sq.m. has been granted to Zaoyang Jinheng.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 420683202000020 in favour of Zaoyang Jinheng, the construction work of the Development with a total gross floor area of approximately 61,870.99 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 4206832004260001-SX-001 in favour of Zaoyang Jinheng, permission has been given by the relevant local authority to commence the construction work of the Development with a total gross floor area of approximately 61,870.99 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Zaoyang Jinheng has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB2,340,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Zaoyang Jinheng has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 3 July 2023, Zaoyang Jinheng has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the non-civil air defense car parking spaces in compliance with the regulations of PRC laws;
- c. As confirmed by the Target Group, Zaoyang Jinheng has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws;
- d. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- e. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB41,300 to RMB55,200 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
10.	882 car parking spaces of Ningxiang Jinke Meiyuan, The intersection of Ningxiang Avenue and Ziyuen Road, Ningxiang City, Changsha City, Hu'nan Province, the PRC (中國湖南省長沙市寧鄉市寧鄉大道與資源路交匯處寧鄉金科美苑的882個車位)	<p>The property comprises 282 non-civil air defense car parking spaces and 600 civil air defense car parking spaces within a residential development, namely Ningxiang Jinke Meiyuan (the "Development").</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the property was completed in 2022.</p> <p>The property is located in Ningxiang City, Changsha City, with approximately 4.0 km to Ningxiang Railway Station and 72.0 km to Changsha Huanghua International Airport.</p> <p>The land use rights of the Development have been granted for a term expiring on 30 May 2089 for residential use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

1. The detailed addresses are shown as follows:

Car parking spaces Nos. 6 to 19, 26, 35, 38, 44 to 45, 47, 50, 55, 58, 61, 64, 70, 73 to 74, 76 to 83, 85, 89 to 94, 97, 100, 103 to 104, 109 to 116, 118, 120 to 121, 124, 133 to 134, 136, 139 to 141, 147 to 148, 150, 155, 159, 162, 164, 167, 169 to 170, 173 to 174, 177, 179, 183 to 187, 191 to 193, 196 to 198, 200 to 212, 214 to 215, 217 to 229, 235, 240, 243 to 248, 524 to 525, 528 to 531, 533 to 534, 536, 546 to 547, 1400 to 1431, 1754, 1757 to 1758, 1764, 1767, 1770 to 1771, 1774, 1776, 1781 to 1782, 1784 to 1785, 1787 to 1788, 1796, 1803, 1809 to 1810, 1821 to 1822, 1835, 1842, 1845, 1847, 1849, 1851 to 1854, 1856 to 1858, 1860 to 1861, 1865 to 1882, 1884 to 1885, 1887 to 1898, 1901, 1903 to 1904, 1906 to 1909, 1F0365 to 1F0369, 1F0477, 1F0479 to 1F0480, 1F0488, 1F0491, 1F0494, 1F0497, 1F0500, 1F0503, 1F0506, 1F0521, 1F0548 to 1F0572, 1F0574 to 1F0628, 1F0630, 1F0632 to 1F0645, 1F0648 to 1F0649, 1F0651, 1F0654, 1F0657, 1F0660, 1F0663 to 1F0664, 1F0666, 1F0669, 1F0672, 1F0674, 1F0751 to 1F0849, 1F0854, 1F0857, 1F0860, 1F0863 to 1F0864, 1F0866, 1F0872, 1F0874 to 1F0875, 1F0878, 1F0881, 1F0884, 1F0887, 1F0890, 1F0995, 1F0998 to 1F1037, 1F1040, 1F1045 to 1F1047, 1F1054, 1F1103 to 1F1104, 1F1107, 1F1110, 1F1113 to 1F1114, 1F1116, 1F1119, 1F1121 to 1F1128, 1F1131, 1F1134, 1F1137, 1F1140 to 1F1259, 1F1338 to 1F1399, 1F1432 to 1F1493, 1F1624 to 1F1634, 1F1640 to 1F1650, 1F1653 to 1F1654, 1F1656, 1F1659, 1F1662, 1F1664 to 1F1665, 1F1668, 1F1670, 1F1673 to 1F1674, 1F1676, 1F1679, 1F1682, 1F1684, 1F1687, 1F1689, 1F1694, 1F1696 and 1F1700 to 1F1752 at Ningxiang Jinke Meiyuan, The intersection of Ningxiang Avenue and Ziyuen Road, Ningxiang City, Changsha City, Hu'nan Province, the PRC.

2. Pursuant to 4 Real Estate Ownership Certificates (for land), the land use rights have been granted to Changsha Jiayi Real Estate Development Co., Ltd. (長沙嘉璽房地產開發有限公司, "Changsha Jiayi"), in which the Target Company holds an indirect ownership stake of 100%, with the details as follows:

No.	Certificate No.	Land Usage	Expiry Date	Site Area (sq.m.)
1	Xiang (2019) Ning Xiang Shi Bu Dong Chan Quan Di No. 0016794	Residential	30 May 2089	19,734.43
2	Xiang (2019) Ning Xiang Shi Bu Dong Chan Quan Di No. 0016795	Residential	30 May 2089	46,203.51
3	Xiang (2019) Ning Xiang Shi Bu Dong Chan Quan Di No. 0016796	Residential	30 May 2089	32,613.17
4	Xiang (2019) Ning Xiang Shi Bu Dong Chan Quan Di No. 0016797	Residential	30 May 2089	4,765.96
Total:				103,317.30

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificates.

3. Pursuant to a Construction Land Planning Permit – Ning Gui (Xiang Cun) Jian Gui Di Zi Di No. 201920, permission for the planning of a land parcel with a total site area of approximately 103,317.30 sq.m. has been granted to Changsha Jiayi.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to 2 Construction Work Planning Permits – Ning Gui (Xiang Cun) Jian Gui Jian Zi Di No. 201933 and Ning Gui (Xiang Cun) Jian Gui Jian Zi Di No. 201938 in favour of Changsha Jiayi, the construction work of the Development with a total gross floor area of approximately 285,435.01 sq.m. have been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to 2 Construction Work Commencement Permits – No. 430111201909200201 and No. 430124202007240101 in favour of Changsha Jiaxi, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 263,139.22 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Changsha Jiaxi has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the aforesaid lease period as at the Valuation Date would be RMB24,520,000, assuming the property could be freely transferred in the market.
7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
- a. Changsha Jiaxi has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificates;
 - b. As confirmed by the Target Group, the property has obtained completion filing, while the civil air defense parking spaces have not yet undergone separate review by the relevant local government departments;
 - c. The land use rights has pledged to China Construction Bank Corporation Ningxiang Branch (中國建設銀行股份有限公司寧鄉支行); We believe that, based on the timeline of parking space construction procedures, the parking spaces should have been built at the time of land pledge. According to legal provisions, the effectiveness of the pledge should apply to the portion of the target parking spaces that have been constructed at the time of pledge;
 - d. The land use rights has been seized by Ningxiang City People’s Court (寧鄉市人民法院);
 - e. As confirmed by the Target Group, as of the property rights registration information query date on 12 July 2023, Changsha Jiaxi has the rights to occupy, use, lease or otherwise dispose of the rights-of use of the non-civil air defense car parking spaces in compliance with the regulations of PRC laws and excluding any third-party rights. However, the company should be reminded that if the pledge and seizure continue to exist, in the event that Changsha Jiaxi proceeds with leasing after obtaining completion filing for the property, the lessee’s leasing rights may not be protected by law in the event of subsequent judicial disposal of assets;
 - f. As confirmed by the Target Group, Changsha Jiaxi has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws and excluding any third-party rights, after the civil air defense car parking spaces have obtained completion filing from the government authorities; and
 - g. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.
9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The unit prices of the comparables are ranging from RMB26,600 to RMB29,700 for each of the rights-of-use of the car parking spaces on B1/F. The unit rates adopted in the valuation are consistent with the unit rates of the relevant comparables after due adjustments in terms of location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
11.	603 car parking spaces of Jimei Jiulonghu, The intersection of Longhushan Avenue and Huilong Road, Jiulonghu New Area, Honggutan District, Nanchang City, Jiangxi Province, the PRC (中國江西省南昌市紅谷灘區九龍湖新區龍虎山大道與回龍路交匯處集美九龍湖的603個車位)	<p>The property comprises 382 non-civil air defense car parking spaces and 221 civil air defense car parking spaces within a residential development, namely Jimei Jiulonghu (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2021.</p> <p>The Development is located in Honggutan District, Nanchang City, with approximately 5.1 km to Nanchang West Railway Station and 38.1 km to Nanchang Changbei International Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 28 October 2088 for residential use and on 28 October 2058 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 1A-01, 1A-31, 1A-41, 1A-51, 1A-61, 1A-71, 1A-81, 1A-101, 1A-111, 1A-121, 2A-02, 2A-12, 2A-22, 2A-42, 2A-62, 2A-72, 2A-82, 2A-92, 2A-102, 2A-112, 2A-122, 3A-03, 3A-23, 3A-43, 3A-53, 3A-63, 3A-73, 3A-83, 3A-93, 3A-103, 3A-123, 4A-04, 4A-14, 4A-24, 4A-34, 4A-44, 4A-54, 4A-64, 4A-74, 4A-84, 4A-94, 4A-104, 4A-114, 4A-124, 5A-05, 5A-25, 5A-45, 5A-75, 5A-85, 5A-105, 6A-06, 6A-56, 6A-66, 6A-76, 6A-86, 6A-106, 6A-116, 7A-17, 7A-27, 7A-37, 7A-57, 7A-67, 7A-77, 7A-87, 7A-107, 7A-117, 8A-08, 8A-28, 8A-38, 8A-48, 8A-58, 8A-68, 8A-78, 8A-88, 8A-98, 8A-108, 9A-19, 9A-39, 9A-59, 9A-69, 9A-79, 9A-89, 9A-99, 10A-20, 10A-30, 10A-50, 10A-60, 10A-70, 10A-80, 10A-90, 10A-100, 10A-110, 10A-120, 1B-07, 1B-27, 1B-47, 1B-53, 1B-57, 1B-77, 1B-86, 1B-89, 1B-97, 2B-08, 2B-48, 2B-58, 2B-88, 2B-128,

3B-09, 3B-19, 3B-39, 3B-59, 3B-79, 3B-89, 3B-109, 3B-119, 3B-129, 3B-139, 4B-30, 4B-60, 4B-80, 4B-100, 4B-110, 4B-140, 5B-01, 5B-11, 5B-51, 5B-61, 5B-91, 5B-101, 5B-131, 6B-02, 6B-42, 6B-52, 6B-82, 6B-92, 6B-112, 7B-33, 7B-53, 7B-63, 7B-73, 7B-83, 7B-93, 7B-103, 8B-14, 8B-34, 8B-44, 8B-54, 8B-64, 8B-74, 8B-94, 9B-05, 9B-25, 9B-45, 9B-55, 9B-85, 9B-115, 9B-125, 10B-36, 10B-46, 10B-56, 10B-76, 10B-86, 10B-106, 1C-01 to 1C-04, 1C-06 to 1C-07, 1C-10 to 1C-12, 1C-14 to 1C-24, 1C-26 to 1C-61, 1C-63 to 1C-70, 1C-72, 1C-75 to 1C-79, 1C-81 to 1C-85, 1C-87 to 1C-89, 1C-92 to 1C-100, 1C-102 to 1C-128, 1C-130 to 1C-131, 1C-133 to 1C-134, 1C-136 to 1C-149, 1C-151 to 1C-154, 1C-157, 1C-160, 1C-163 to 1C-166, 1C-172, 1C-174 to 1C-175, 1C-177, 1C-180, 1C-183, 1C-185, 1C-189 to 1C-190, 1C-193, 1C-196 to 1C-197, 1C-200 to 1C-206, 1C-209 to 1C-211, 1D-07, 1D-17, 1D-27, 1D-37, 1D-47, 1D-57, 1D-67, 1D-77, 2D-18, 2D-28, 2D-38, 2D-48, 2D-58, 2D-68, 2D-78, 2D-118, 2D-128, 3D-19, 3D-39, 3D-49, 3D-59, 3D-69, 3D-79, 4D-10, 4D-20, 4D-40, 4D-50, 4D-60, 4D-70, 4D-80, 4D-100, 4D-110, 4D-120, 5D-01, 5D-11, 5D-21, 5D-31, 5D-41, 5D-51, 5D-61, 5D-91, 5D-101, 6D-02, 6D-12, 6D-32, 6D-52, 6D-62, 6D-72, 6D-82, 6D-102, 6D-112, 7D-03, 7D-13, 7D-23, 7D-33, 7D-43, 7D-53, 7D-63, 7D-73, 7D-123, 8D-14, 8D-24, 8D-34, 8D-44, 8D-54, 8D-64, 8D-74, 8D-94, 8D-95, 8D-114, 9D-05, 9D-15, 9D-25, 9D-35, 9D-45, 9D-55, 9D-65, 9D-75, 9D-85, 9D-95, 10D-06, 10D-16, 10D-36, 10D-46, 10D-56, 10D-66, 10D-76, 10D-126, 1E-02, 1E-04, 1E-06 to 1E-07, 1E-10, 1E-12 to 1E-13, 1E-18, 1E-21, 1E-23 to 1E-24, 1E-26, 1E-29, 1E-35, 1E-38 to 1E-41, 1E-43 to 1E-44, 1E-46 to 1E-48, 1E-50, 1E-52 to 1E-65, 1E-67 to 1E-74, 1E-80, 1E-83 to 1E-88, 1E-91, 1E-95 to 1E-96, 1E-100, 1F-09, 1F-19, 1F-49, 1F-69, 1F-79, 1F-89, 1F-109, 1F-129, 1F-159, 1F-219, 1F-229, 2F-10, 2F-30, 2F-50, 2F-60, 2F-70, 2F-80, 2F-90, 2F-110, 2F-120, 2F-130, 2F-150, 2F-160, 2F-170, 2F-180, 2F-230, 3F-01, 3F-21, 3F-31, 3F-41, 3F-71, 3F-91, 3F-101, 3F-121, 3F-171, 3F-181, 3F-191, 3F-201, 3F-211, 4F-02, 4F-22, 4F-32, 4F-52, 4F-72, 4F-92, 4F-102, 4F-132, 4F-142, 4F-162, 4F-172, 4F-182, 4F-212, 4F-232, 5F-13, 5F-43, 5F-63, 5F-73, 5F-83, 5F-103, 5F-123, 5F-133, 5F-153, 5F-173, 5F-203, 5F-223, 6F-14, 6F-34, 6F-44, 6F-64, 6F-74, 6F-94, 6F-114, 6F-124, 6F-134, 6F-144, 6F-154, 6F-174, 7F-15, 7F-45, 7F-55, 7F-75, 7F-85, 7F-95, 7F-105, 7F-135, 7F-155, 7F-165, 7F-175, 7F-185, 7F-195, 7F-215, 8F-16, 8F-26, 8F-36, 8F-46, 8F-56, 8F-76, 8F-86, 8F-106, 8F-126, 8F-146, 8F-156, 8F-166, 8F-176, 8F-196, 9F-27, 9F-37, 9F-47, 9F-77, 9F-87, 9F-107, 9F-147, 9F-157, 9F-167, 9F-177, 9F-217, 9F-227, 10F-08, 10F-18, 10F-28, 10F-68, 10F-78, 10F-88, 10F-98, 10F-108, 10F-138, 10F-148, 10F-168, 10F-188, 10F-218 and 10F-228 located at Jimei Jiulonghu, The intersection of Longhushan Avenue and Huilong Road, Jiulonghu New Area, Honggutan District, Nanchang City, Jiangxi Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Gan (2018) Nan Chang Shi Bu Dong Chan Quan Di No. 0248447 issued by Nanchang Bureau for Real Estate Registration (南昌市不動產登記局), the land use rights of the Development with a total site area of approximately 63,495.33 sq.m. have been granted to Nanchang Jinchun Real Estate Development Co., Ltd. (南昌金淳房地產開發有限公司, “Nanchang Jinchun”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 28 October 2088 for residential use and on 28 October 2058 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. 360100201800116, permission for the planning of a land parcel with a total site area of approximately 63,466.98 sq.m. has been granted to Nanchang Jinchun.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 360100201900063 in favour of Nanchang Jinchun, the construction work of a portion of the Development with a total gross floor area of approximately 33,821.34 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to 2 Construction Work Commencement Permits – No. 360108201903200101 and No. 360108201905270101 in favour of Nanchang Jinchun, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 166,088.25 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Nanchang Jinchun has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB27,940,000, assuming the rights-of-use of the property could be freely transferred in the market.
7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
 - a. Nanchang Jinchun has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
 - b. As confirmed by the Target Group, as of the property rights registration information query date on 14 July 2023, Nanchang Jinchun has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the non-civil air defense car parking spaces in compliance with the regulations of PRC laws;
 - c. As confirmed by the Target Group, Nanchang Jinchun has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws;
 - d. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - e. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.
9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB40,500 to RMB53,300 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
12.	1137 car parking spaces of Meidi Jinke Tanyue, Southeast of the intersection of Yuelu Street and Yangliu Road, Zhengxiang District, Hengyang City, Hu'nan Province, the PRC (中國湖南省衡陽市蒸湘區岳麓街與楊柳路交匯處東南美的金科檀樾的1137個車位)	<p>The property comprises 1137 non-civil air defense car parking spaces within a residential development, namely Meidi Jinke Tanyue (the "Development").</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2021.</p> <p>The Development is located in Zhengxiang District, Hengyang City, with approximately 10.0 km to Hengyang Railway Station and 25.0 km to Hengyang Nanyue Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 9 June 2089 for residential use and on 9 June 2059 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 002, 012, 014, 017 to 018, 021, 024 to 025, 030 to 032, 034, 037 to 046, 048 to 049, 054 to 062, 064 to 066, 069 to 076, 079, 082, 084 to 085, 088 to 092, 099 to 121 and 123 to 127 located at district A; Nos. 001 to 006, 009, 011 to 030, 037 to 039, 040, 042 to 045, 047 to 048, 051 to 069, 081, 084, 087 to 088, 107 and 110 to 117 located at district C; Nos. 004, 008 to 011, 014, 016 to 017, 019, 021 to 030, 037 to 062, 064 to 068, 071 to 077, 080, 083, 085 to 096, 106 to 117, 119, 122, 124 to 125, 127, 129, 133, 139 and 141 to 145 located at district E; Nos. 002, 007 to 008, 012 to 014, 016, 018 to 021, 029 to 045, 047 to 049, 055 to 061, 063 to 079, 081, 083 to 085, 087, 095 to 098, 101 to 124 and 126 to 134 located at district G; Nos. 001 to 011, 014, 016 to 017, 020 to 031, 037 to 044, 051 to 054, 062 to 074, 076 to 079, 081 to 082, 083A, 085, 087, 089 to 092, 094, 097 and 100 to 128 located at district G; Nos. 001 to 011, 014, 016 to 017, 020 to 031, 037 to 044, 051 to 054, 062 to 074, 076 to 079, 081 to 082, 083A, 085, 087, 089 to 092, 094, 097

and 100 to 128 located at district H; Nos. 001, to, 002, 002A, 004, to, 005, 009, to, 010, 014, to, 015, 018, 021, 026, to, 029, 031, to, 057, 061, to, 062, 064, to, 065, 067, to, 077 and 079 to 119 located at district I; Nos. 001 to 021, 023 to 025, 027 to 055, 057, 059 to 065, 067, 070, 072 to 074, 079 to 080, 084, 089, 092 to 112, 114 to 131 and 138 to 165 located at district J; Nos. 006, 017, 020, 022, 024 to 026, 028 to 033, 035 to 037 and 040 to 042 located at district K; Nos. 001 to 003, 005 to 006, 009 to 010, 013 to 022, 024 to 025, 028, 030 to 032, 035, 038, 041 to 048, 050 to 054, 056 to 057, 059 to 066 and 068 to 141 located at district L; Nos. 001 to 036, 042, 052, 054 to 057, 059 to 060, 063 to 066, 069 to 077, 084 to 085, 087 to 102, 104 to 115, 117, 119 to 122, 124 to 127 and 129 to 152 located district M; Nos. 001 to 004, 011 to 012, 014, 017, 019, 021 to 030, 032 to 033, 035, 037 to 039, 042, 044 to 045, 048, 050 to 088 and 091 to 123 located at district N; Nos. 004 to 059 and 061 to 064 located at district P; Nos. 074, 104 and 107 located district S; Nos. 011 to 012, 014, 017, 025 to 029, 036 to 037, 042 to 048, 058, 064 and 072 located at district T; Nos. 006 to 009, 051, 053 to 054, 059, 064 to 066, 068 and 074 located at district U; and Nos. 054 to 057 and 059 located at district V in Meidi Jinke Tanyue, Southeast of the intersection of Yuelu Street and Yangliu Road, Zhengxiang District, Hengyang City, Hu'nan Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Xiang (2021) Heng Yang Shi Bu Dong Chan Quan Di No. 0009495 issued by Hengyang Municipal Bureau of Natural Resources and Planning (衡陽市自然資源和規劃局), the land use rights of the Development with a total site area of approximately 84,307.38 sq.m. have been granted to Hengyang Dingheng Real Estate Development Co., Ltd. (衡陽市鼎衡房地產開發有限公司, “Hengyang Dingheng”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 9 June 2089 for residential use and on 9 June 2059 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Heng Zi Gui Di Zi (2019) No. 046, permission for the planning of a land parcel with a total site area of approximately 84,307.38 sq.m. has been granted to Hengyang Dingheng.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to 4 Construction Work Planning Permits – Heng Zi Gui Jian Zi No. [2019] 124, Jian Zi Di No. [2020] 196, Jian Zi Di No. [2020] 163 and Heng Zi Gui Hua Xu Ke No. [2020] 031 in favour of Hengyang Dingheng, the construction work of a portion of the Development with a total gross floor area of approximately 168,426.18 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to 4 Construction Work Commencement Permits – No. 430401202003020101, No. gao 430401202012170103, No. gao 430401202009250103 and No. 430401201909260101 in favour of Hengyang Dingheng, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 227,914.73 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Hengyang Dingheng has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB55,350,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Hengyang Dingheng has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, Phase 1, Phase 2, and Phase 3 of the property have obtained the completion filing, Phase 4 and Phase 5 have not yet obtained the completion filing;

- c. As confirmed by the Target Group, as of the property rights registration information query date on 18 July 2023, Hengyang Dingheng has the rights to occupy, use, lease or otherwise dispose of the completed and filed parking spaces in compliance with the regulations of PRC laws. For the parking spaces that have not yet completed the filing, upon completion of the filing, Hengyang Dingheng has the rights to occupy, use, lease, or otherwise dispose of the rights-of-use of them in compliance with the regulations of PRC laws;
 - d. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - e. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.
 9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
 10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB42,700 to RMB55,100 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
13.	600 car parking spaces of Changsha Shijiecheng, No. 468 Leifeng Avenue, Yuelu District, Changsha city, Hu'nan Province, the PRC (中國湖南省長沙市岳麓區雷鋒大道468號長沙世界城的600個車位)	<p>The property comprises 600 non-civil air defense car parking spaces within a residential development, namely Changsha Shijiecheng (the "Development").</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the property was completed in 2016.</p> <p>The property is located in Yuelu District, Changsha city, with approximately 4.0 km to Gushan Railway Station and 38.9 km to Changsha Huanghua International Airport.</p> <p>The land use rights of the development have been granted for terms expiring on 19 December 2082 for residential use and on 19 December 2052 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. A014 to A015, A024 to A026, A029 to A030, A033, A040, A048, A051, A054, A057, A060, A063, A069, A072, A075, A078 to A079, A081, A084, A088, A091, A095 to A096, A116 to A117, A124, B002 to B008, B010 to B013, B019 to B020, B023, B026 to B030, B036 to B037, B044, B046 to B047, B049, B060, B064 to B065, B067, B070 to B071, B085 to B086, B089, B092, B095, B098, B106, B110, B113, B118, B121, B128 to B130, B136 to B138, B141 to B144, B146 to B150, B156 to B158, B161, B163 to B171, B175, B177 to B178, B183 to B184, B186 to B187, B189 to B190, B201 to B202, B204, B207 to B208, B219, B222 to B223, B225 to B226, B235, B237 to B238, B240 to B241, B243 to B244, B250 to B251, B253 to B254, B256 to B257, B259 to B260, B265 to B266, B268, B271 to B272, B274 to B275, B279, B281, C002, C005, C007 to C026, C029 to C035, C037 to C045, C052, C054 to C055, C061 to C062, C073 to C094, C097 to

C107, C112 to C115, C118 to C133, C136 to C139, C142 to C156, C161 to C165, C170 to C174, C180, C183 to C195, C198 to C201, C206 to C207, C209, C212 to C213, C215, C220 to C224, C226 to C227, C229 to C230, C232 to C233, C235 to C236, C238 to C239, C244 to C245, C247 to C248, C250 to C251, C253 to C254, C256 to C257, C259 to C260, C267 to C268, C270, C275, C277, C287, C289 to C290, C292 to C293, C295 to C296, C298 to C299, C301 to C302, C304 to C305, C310 to C311, C313 to C314, C316 to C317, C319 to C320, D251 to D271, D273 to D275, D278 to D281, D286 to D288, D296 to D302, D304, D308, D310 to D315, D325 to D341, D344 to D346, D348 to D351, D354, D357 to D363, D366, D369, D371 to D372, D386 to D388, D391, D394, D397, E003 to E005, E008 to E009, E015 to E020, E027, E029, E034 to E035, E046 to E047, E049 to E056, E058, E061 to E065, E067 to E068, E070 to E071, E082 to E083, E085, E088, E090 to E093, E097 to E100, E103, E113, E169 to E177, E179 to E180, E182 to E184, E186 to E190, E196 to E197, E206 to E229, E236 to E237, E240, E242 to E251, E253, E256 to E258, E268, E287 to E292, E294, E297, E300, E306 to E307, E312, E317, E319 to E320, E322 to E323, E325, E331, E333, E338, E348 to E349, E351 to E352, E354 to E355, E358, E360 to E361, E363 to E364, E366 to E367, E369 to E370, E381 to E382, E384 to E385, E387 to E388, E390 to E391, E397, E402 to E403, E435, E437 to E438, E440 to E441, E445 to E446, E448 to E449 and E451 located at Changsha Shijiecheng, No. 468 Leifeng Avenue, Yuelu District, Changsha city, Hu'nan Province, the PRC.

2. Pursuant to a State-owned Land Use Right Certificate – Chang Guo Yong (2014) Di No. 047106 issued by Changsha Municipal People's Government (長沙市人民政府), the land use rights of the Development with a total site area of approximately 113,709.74 sq.m. have been granted to Hunan Liangxing Real Estate Development Co., Ltd. (湖南靚興房地產開發有限公司, "Hunan Liangxing"), in which the Target Company holds an indirect ownership stake of 80%, for terms expiring on 19 December 2082 for residential use and on 19 December 2052 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Jian Gui Di Zi Di No. Chang Xian Chu [2014] 0023, permission for the planning of a land parcel with a total site area of approximately 113,709.74 sq.m. has been granted to Hunan Liangxing.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to 2 Construction Work Planning Permits – Jian Gui Jian Zi Di Xiang Xin Jian 2 [2015] No. 0090 and Jian Gui Jian Zi Di Xiang Xin Jian 2 [2015] No. 0094 in favour of Hunan Liangxing, the construction work of a portion of the Development with a total gross floor area of approximately 61,316.07 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to 5 Construction Work Commencement Permits – No. 430112201405130101, No. 430112201409280201, No. 430112201610310101, No. 430112201504220201 and No. 430112201504220101 in favour of Hunan Liangxing, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 259,805.90 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Hunan Liangxing has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB26,190,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Hunan Liangxing has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the State-owned Land Use Right Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 27 July 2023, Hunan Liangxing has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;

- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.
9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB49,300 to RMB56,500 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
14.	725 car parking spaces of Yueyang Meidi Jinkejun, East of the intersection of Yujiashan Road and Chunfeng Avenue, Yueyang County, Yueyang City, Hu'nan Province, the PRC (中國湖南省岳陽市岳陽縣喻家山路與春風大道交匯處以東岳陽美的金科郡的725個車位)	<p>The property comprises 725 non-civil air defense car parking spaces within a residential development, namely Yueyang Meidi Jinkejun (the "Development").</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2021.</p> <p>The Development is located in Yueyang County, Yueyang City, with approximately 11.9 km to Yueyang Railway Station and 28.4 km to Yueyang Sanhe Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 27 August 2088 for residential use and on 27 August 2058 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. 1F0003 to 1F0007, 1F0009, 1F0016 to 1F0017, 1F0019, 1F0022 to 1F0024, 1F0028, 1F0032 to 1F0033, 1F0040, 1F0044, 1F0049 to 1F0050, 1F0052, 1F0054 to 1F0062, 1F0064, 1F0067 to 1F0068, 1F0070 to 1F0071, 1F0077 to 1F0078, 1F0081 to 1F0083, 1F0085 to 1F0087, 1F0089, 1F0091 to 1F0095, 1F0097, 1F0100, 1F0103 to 1F0139, 1F0163 to 1F0165, 1F0167, 1F0170 to 1F0177, 1F0179 to 1F0180, 1F0194, 1F0197, 1F0211, 1F0214 to 1F0216, 1F0218 to 1F0220, 1F0233 to 1F0234, 1F0242, 1F0252, 1F0256 to 1F0261, 1F0263 to 1F0268, 1F0270 to 1F0271, 1F0274 to 1F0276, 1F0280 to 1F0281, 1F0284, 1F0291, 1F0294, 1F0296, 1F0298, 1F0300, 1F0302 to 1F0304, 1F0306, 1F0308 to 1F0310, 1F0312, 1F0314 to 1F0315, 1F0317 to 1F0331, 1F0338 to 1F0342, 1F0344 to 1F0345, 1F0347 to 1F0348, 1F0350 to 1F0352, 1F0355, 1F0359, 1F0365 to 1F0366, 1F0368 to 1F0372, 1F0375 to 1F0430, 1F0433 to 1F0468, 1F0471, 1F0474, 1F0487 to 1F0488, 1F0491, 1F0493 to 1F0495, 1F0501, 1F0504 to 1F0507, 1F0511 to 1F0512, 1F0514 to 1F0520, 1F0526 to 1F0527, 1F0530 to 1F0532, 1F0534 to 1F0536, 1F0538 to 1F0540, 1F0546, 1F0549, 1F0561, 1F0563 to 1F0564, 1F0566 to 1F0572, 1F0589 to 1F0590, 1F0594, 1F0601 to 1F0609, 1F0620, 1F0624 to 1F0628, 1F0630 to 1F0635, 1F0640, 1F0642, 1F0654, 1F0657 to 1F0659, 1F0665 to 1F0667, 1F0670 to 1F0677, 1F0679 to 1F0680, 1F0682, 1F0687, 1F0690 to 1F0691, 1F0693 to 1F0697, 1F0700 to 1F0719, 1F0724 to 1F0725, 1F0736 to 1F0738, 1F0740, 1F0742 to 1F0743, 1F0756 to 1F0758, 1F0761 to 1F0765, 1F0767 to 1F0782, 1F0784 to 1F0785, 1F0787 to 1F0788, 1F0790 to 1F0791, 1F0793 to 1F0797, 1F0799 to 1F0800, 2F0802 to 2F1087 located at Yueyang Meidi Jinkejun, East of the intersection of Yujiashan Road and Chunfeng Avenue, Yueyang County, Yueyang City, Hu'nan Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Xiang (2019) Yue Yang Xian Bu Dong Chan Quan Di No. 0000860 issued by Yueyang County Bureau of Land and Resources (岳陽縣國土資源局), the land use rights of the Development with a total site area of approximately 44,983.34 sq.m. have been granted to Yueyang Dingyue Real Estate Development Co., Ltd. (岳陽縣鼎岳房地產開發有限公司, “Yueyang Dingyue”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 27 August 2088 for residential use and on 27 August 2058 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Jian Gui Di Zi Di No. 1812087, permission for the planning of a land parcel with a total site area of approximately 44,983.32 sq.m. has been granted to Yueyang Dingyue.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to 2 Construction Work Planning Permits – Jian Gui Jian Zi Di No. 1903025 and Jian Gui Jian Zi Di No. 1903026 in favour of Yueyang Dingyue, the construction work of the Development with a total gross floor area of approximately 169,737.74 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to a Construction Work Commencement Permit – No. 430621201904120101 in favour of Yueyang Dingyue, permission has been given by the relevant local authority to commence the construction work of the Development with a total gross floor area of approximately 169,626.64 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Yueyang Dingyue has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB25,130,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Yueyang Dingyue has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 29 August 2023, Yueyang Dingyue has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. As confirmed by the Target Group, there have been no changes to the information contained in the aforementioned legal opinion from the property rights registration information query date to the Valuation Date.

9. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

10. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB35,200 to RMB42,400 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
15.	137 car parking spaces of Xiangyang Jinke Jimeifu, No. 194 Hangkong Road, Xiangzhou District, Xiangyang City, Hubei Province, the PRC (中國湖北省襄陽市襄州區航空路194號襄陽金科集美府的137個車位)	<p>The property comprises 137 non-civil air defense car parking spaces within a residential development, namely Xiangyang Jinke Jimeifu (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2023.</p> <p>The Development is located in Xiangzhou District, Xiangyang City, with approximately 2.7 km to Xiangzhou Railway Station and 10.7 km to Xiangyang Liuji Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 30 December 2089 for residential use and on 30 December 2059 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. A023 to A029, A031 to A033, A035, A038, A041 to A042, A074 to A075, A087, A090, A093, A102, A112 to A113, B011 to B012, B024, B036, B038 to B041, B054, B058, B061, B079, B083 to B084, B097 to B101, B110, B115 to B116, C001, C005, C008, C011, C025, C028 to C038, C041, C044, C047, C050, C055, C057 to C058, C061, C064, C066 to C072, C080, C084 to C085, C087, C090, C096, C102, C105, C110, C114, C127 to C128, C133, C135 to C137, D002, D012 to D016, E001, E071 to E075, E078 to E087, E091, E094 to E096, E098, F001 to F018 located at Xiangyang Jinke Jimeifu, No. 194 Hangkong Road, Xiangzhou District, Xiangyang City, Hubei Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – E (2020) Xiang Zhou Qu Bu Dong Chan Quan Di No. 0001802 issued by Xiangyang Bureau for Real Estate Registration, Xiangzhou District Branch (襄陽市國土資源局襄州分局), the land use rights of the Development with a total site area of approximately 23,793.22 sq.m. have been granted to Xiangyang Kepeng Real Estate Co., Ltd. (襄陽科鵬置業有限公司, “Xiangyang Kepeng”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 30 December 2089 for residential use and on 30 December 2059 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Xiang Zhou Zi Ran Zi Gui Di Zi Di No. 420607202000002, permission for the planning of a land parcel with a total site area of approximately 23,793.22 sq.m. has been granted to Xiangyang Kepeng.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Xiang Zi Ran Zi Jian Zi Di No. 4206072020000062 in favour of Xiangyang Kepeng, the construction work of the Development with a total gross floor area of approximately 103,267.00 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 4206072005040001-SX-001 in favour of Xiangyang Kepeng, permission has been given by the relevant local authority to commence the construction work of the Development with a total gross floor area of approximately 103,267.00 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Xiangyang Kepeng has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB4,450,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Xiangyang Kepeng has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, Xiangyang Kepeng has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

9. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB27,500 to RMB41,400 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
16.	<p>1911 car parking spaces of Meidi Liuye Heyuan, Northwest of the intersection of Liuchang Road and Liuping Road, Wuling District, Changde City, Hu'nan Province, the PRC (中國湖南省常德市武陵區柳常路與柳平路交匯處西北美的柳葉和園的1911個車位)</p>	<p>The property comprises 1870 non-civil air defense car parking spaces and 41 civil air defense car parking spaces within a residential development, namely Meidi Liuye Heyuan (the "Development").</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2022.</p> <p>The Development is located in Wuling District, Changde City, with approximately 5.2 km to Changde Railway Station and 22.2 km to Changde Taohuayuan Airport.</p> <p>The land use rights of the Development have been granted for terms expiring between 14 March 2089 and 28 October 2090 for residential use and between 14 March 2059 and 28 October 2060 for commercial use.</p>	<p>The property was vacant as at the Valuation Date.</p>	<p>No commercial value</p>

Notes:

1. The detailed addresses are shown as follows:

Car parking spaces Nos. A001 to A028, A032 to A035, A039, A041 to A042, A046, A048, A050 to A051, A054 to A055, A057, A059, A063, A069 to A070, A072, A074 to A076, A080, A086 to A087, A089 to A090, A094 to A095, A097, A106 to A109, A118, A120 to A122, A124, A130, A132 to A133, A135, A138, A140, A144, A148 to A257, A259 to A272, A274 to A298, A300 to A302, B001 to B002, B004, B008, B010 to B015, B018, B020 to B021, B023 to B038, B041 to B042, B044 to B061, B063 to B104, B106 to B107, B109 to B115, B117, B120 to B122, B124, B129 to B131, B133 to B144, B146 to B155, B159, B163, B169 to B176, B178 to B197, B199 to B200, B202 to B218, B220 to B327, B329 to B339, B341 to B361, B363 to B367, B370, B373 to B376, B378 to B379, C001 to C054, C056 to C064, C066 to C075, C078, C081 to C088, C090 to C105, C107 to C109, C111 to C167, C169 to C194, C196 to C226, C228 to C234, C237 to C244, C246, C249 to C252, C254 to C262, C264 to C283, C285 to C302, C304 to C310, C312 to C351, C353 to C357, C359, C363 to C406, D001, D004, D005, D008, D011 to D015, D019, D021 to D042, D044 to D051, D053 to D056, D058 to D060, D062, D065 to D066, D070 to D148, D151 to D152, D154 to D157, D160, D162 to D166, D169 to D170, D172 to D175, D178, D181 to D184, D186 to D232, D239 to D240, D243, D248, D250 to D251, E001 to E009, E014, E017, E019 to E020, E024 to E030, E032 to E034, E036 to E037, E041 to E051, E053 to E054, E056 to E058, E061, E066 to E067, E071 to E087, E089, E091 to E092, E094, E096 to E097, E099 to E116, E118 to E122, E124 to E132, E134 to E135, E137, E140 to E265, E267 to E270, E272, E274 to E275, E277, E279 to E303, E307 to E309, E312 to E313, E315 to E325, E334 to E344, E346 to E384, E388, E393 to E394, E396 to E416, E418 to E442, E444 to E449, E451 to E457, E459, E461 to E466, E469 to E483, E485 to E491, E493, E497 to E512, F001 to F032, F034 to F038, F040 to F045, F047 to F048, F052, F057 to F062, F068 to F126, F128 to F129, F131 to F135, F138, F140 to F151, F153 to F154, F156 to F170, F172 to F174, F176 to F178, F180, F182 to F212, G001 to G070, G072, G079 to G082, G084, G086, G089, G105, G107 to G109, G112 to G121, G127 to G129, G131, G141, G144 to G150, G153, G156, G158 to G167, G169, G172, G174 to G175, G178 to G181, G184, G187 and G193 to G215 located at Meidi Liuye Heyuan, Northwest of the intersection of Liuchang Road and Liuping Road, Wuling District, Changde City, Hu'nan Province, the PRC.

2. Pursuant to 3 Real Estate Ownership Certificates (for land), the land use rights have been granted to Changde Dingye Real Estate Development Co., Ltd. (常德市鼎業房地產開發有限公司, "Changde Dingye"), in which the Target Company holds an indirect ownership stake of 100%, with the details as follows:

No.	Certificate No.	Land Usage	Expiry Date	Site Area (sq.m.)
1	Xiang (2019) Chang De Shi Bu Dong Chan Quan Di No. 0035607	Residential Commercial	14 March 2089 14 March 2059	119,865.81
2	Xiang (2019) Chang De Shi Bu Dong Chan Quan Di No. 0055112	Residential Commercial	14 March 2089 14 March 2059	1,428.34
3	Xiang (2020) Chang De Shi Bu Dong Chan Quan Di No. 0029575	Residential Commercial	28 October 2090 28 October 2060	21,542.54
Total:				142,836.69

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificates.

3. Pursuant to 3 Construction Land Planning Permits – Xiang Chang Liu Jian Gui Di Zi Di No. 20190003, Xiang Chang Gui Di Zi Di No. Liu 20190012 and Xiang Chang Gui Di Zi Di No. 430702202000033, permission for the planning of 3 land parcels with a total site area of approximately 142,836.69 sq.m. has been granted to Changde Dingye.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

4. Pursuant to 3 Construction Work Planning Permits – Xiang Chang Gui Jian Zi Di No. Liu 20190229, Xiang Chang Gui Jian Zi Di No. Liu 20190359 and Xiang Chang Gui Jian Zi Di No. 430702202000405-0410 in favour of Changde Dingye, the construction work of a portion of the Development with a total gross floor area of approximately 134,250.00 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to 3 Construction Work Commencement Permits in favour of Changde Dingye, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 105,926.00 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Changde Dingye has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB71,020,000, assuming the rights-of-use of the property could be freely transferred in the market.
7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
 - a. Changde Dingye has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificates;
 - b. As confirmed by the Target Group, Changde Dingye has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the non-civil air defense car parking spaces in compliance with the regulations of PRC laws, after the property have obtained completion filing from the government authorities;
 - c. As confirmed by the Target Group, Changde Dingye has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws, after the property have obtained completion filing from the government authorities;
 - d. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - e. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
9. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB33,800 to RMB42,400 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
17.	240 car parking spaces of Zaoyang Jinke Guantianxia, Yanhe West Road, Zaoyang City, Xiangyang City, Hubei Province, the PRC (中國湖北省襄陽市棗陽市沿河西路棗陽金科觀天下的240個車位)	<p>The property comprises 240 non-civil air defense car parking spaces within a residential development, namely Zaoyang Jinke Guantianxia (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2021.</p> <p>The Development is located in Zaoyang City, Xiangyang City, with approximately 6.7 km to Zaoyang Railway Station and 55.1 km to Xiangyang Liuji Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 28 April 2089 for residential use and on 28 April 2059 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. A-1 to A-4, A-14 to A-15, A-23, A-26, A-30, A-33 to A-35, A-69 to A-75, A-80, A-83, A-104, A-107, A-122, A-125, A-128, A-131, A-134, A-137, A-140, A-143, A-148 to A-150, A-157, A-162 to A-163, A-168 to A-169, A-175 to A-178, A-183, A-186, A-189, A-192, A-195, A-198, A-201, A-204, A-207, A-210, A-213, A-216, A-219, A-222, A-226 to A-227, A-238, A-241 to A-246, A-248 to A-249, A-251 to A-253, A-256, A-259, A-265, A-269, A-271, A-274, A-276, A-292 to A-300, A-302, A-304, A-308, B-1 to B-3, B-5, B-8 to B-17, B-20 to B-25, B-33, B-35, B-39, B-46, B-50, B-53, B-56 to B-57, B-59 to B-60, B-63, B-65 to B-66, B-68, B-69, B-72, B-74 to B-83, B-87, B-94 to B-97, B-100, B-103, B-108, B-111, B-114 to B-117, B-120, B-123, B-126 to B-127, B-130, B-133, B-136, B-139, B-146, B-149, B-152, B-155, B-158, B-161, B-163 to B-164, B-167, B-170, B-173, B-176, B-183, B-186, B-193, B-196, B-199, B-202, B-205, B-209, B-217, B-220, B-222 to B-223, B-225 to B-232, B-245 and B-247 to B-251 located at Zaoyang Jinke Guantianxia, Yanhe West Road, Zaoyang City, Xiangyang City, Hubei Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – E (2019) Zao Yang Shi Bu Dong Chan Quan Di No. 0005884 issued by Zaoyang Bureau for Real Estate Registration (棗陽市不動產登記局), the land use rights of the Development with a total site area of approximately 31,744.51 sq.m. have been granted to Zaoyang Jinwei Real Estate Development Co., Ltd. (棗陽市金緯房地產開發有限公司, “Zaoyang Jinwei”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 28 April 2089 for residential use and on 28 April 2059 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di No. ZYYD20190029, permission for the planning of a land parcel with a total site area of approximately 31,744.55 sq.m. has been granted to Zaoyang Jinwei.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. ZYGC20190038 in favour of Zaoyang Jinwei, the construction work of the Development with a total gross floor area of approximately 97,811.51 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 4206831907090119-SX-009 in favour of Zaoyang Jinwei, permission has been given by the relevant local authority to commence the construction work of the Development with a total gross floor area of approximately 97,811.51 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Zaoyang Jinwei has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB11,970,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Zaoyang Jinwei has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, Zaoyang Jinwei has the rights to occupy, use, transfer, lease, mortgage or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
- c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
- d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.

8. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.

9. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB41,300 to RMB55,200 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
18.	727 car parking spaces of Zunyi Zhongyang Gongyuancheng, Xinpu Avenue, Honghuagang District, Zunyi City, Guizhou Province, the PRC (中國貴州省遵義市紅花崗區新中街道新蒲大道遵義中央公園城的727個車位)	<p>The property comprises 727 non-civil air defense car parking spaces within a residential development, namely Zunyi Zhongyang Gongyuancheng (the “Development”).</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2019.</p> <p>The Development is located in Honghuagang District, Zunyi City, with approximately 10.9 km to Zunyi Railway Station and 29.5 km to Zunyi Xinzhou Airport.</p> <p>The land use rights of the Development have been granted for terms expiring between 22 October 2083 and 24 December 2083 for residential use and between 22 October 2053 and 24 December 2053 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

1. The detailed addresses are shown as follows:

Car parking spaces Nos. 1, 3 to 4, 7 to 8, 10 to 12, 14, 17 to 21, 24, 26 to 27, 30 to 32, 34 to 36, 39, 41, 43 to 44, 47, 50 to 51, 53 to 58, 62, 64 to 66, 69, 71 to 72, 74, 82 to 83, 89, 96 to 116, 118, 121, 123 to 131, 133 to 134, 136 to 137, 140 to 149, 151 to 152, 154 to 159, 175 to 184, 187, 190, 193, 196, 198 to 200, 202, 205, 208, 211, 214, 217, 219 to 221, 223, 229, 231 to 232, 241 to 242, 244, 247, 250, 253, 259, 286, 301 to 305, 310, 315 to 317, 321 to 323, 344 to 346, 348, 387, 412, 436, 446, 449, 452 to 453, 458, 470 474, 476 to 477, 479 to 480, 493, 528, 531, 534, 537 to 538, 540 to 547, 549 to 550, 552 to 553, 558, 575, 603, 619 to 621, 623 to 625, 629, 632, 635, 638, 641 to 644, 646 to 647, 656, 660, 662 to 665, 667 to 669, 671, 674, 691, 693, 699 to 700, 704 to 705, 717 to 721, 724 to 726, 762, 765, 768 to 769, 771, 774 to 780, 782 to 789, 791 to 794, 796, 798 to 799, 801 to 809, 811 to 814, 816, 819, 822, 834, 838 to 839, 842, 846, 919, 924, 929, 1018, 1275, 1388 to 1389, 1394 to 1395, 1400, 1412, 1(1)010, 1(1)014, 1(1)021, 1(1)024, 1(1)038 to 1(1)039, 1(1)044, 1(1)046, 1(1)048 to 1(1)050, 1(1)063 to 1(1)065, 1(1)069, 1(1)071, 1(1)073 to 1(1)074, 1(1)076, 1(1)080, 1(1)083 to 1(1)084, 1(1)086 to 1(1)087, 1(1)089 to 1(1)097, 1(1)407, 1(1)459, 1(1)473, 1(1)476, 1(1)484, 1(2)542, 1(2)545, 1(2)549 1(2)551 to 1(2)552, 1(2)554 to 1(2)575, 1(2)578 to 1(2)583, 1(2)585 to 1(2)589, 1(2)594 to 1(2)604, 1(2)606, 1(2)638, 1(2)644, 1(2)647 to 1(2)650, 1(2)652 to 1(2)655, 1(2)657, 1(2)659, 1(2)661, 1(2)669, 1(2)677, 1(2)682 to 1(2)685, 1(2)714 to 1(2)715, 1(2)719, 1(2)728, 1(2)731 to 1(2)732, 1(2)734, 1(2)737 to 1(2)739, 1(2)742 to 1(2)745, 1(2)747 to 1(2)753, 1(2)756 to 1(2)771, 1(2)775, 1(2)777 to 1(2)778, 1(2)780 to 1(2)782, 1(2)784 to 1(2)786, 1(797) to 1(798), 1(2)801, 1(2)814, 1(2)831 to 1(2)832, 1(2)835 to 1(2)838, 1(2)840 to 1(2)872, 1(2)874, 1(2)876 to 1(2)877, 1(2)879 to 1(2)885, 1(2)887, 1(2)890, 1(2)896, 1(2)905 to 1(2)906, 1(2)911, 1(2)915, 1(2)919 to 1(2)921, 1(2)928, 1(2)931, 2(1)004 to 2(1)005, 2(1)007 to 2(1)008, 2(1)204 to 2(1)209, 2(1)214, 2(1)217 to 2(1)219, 2(1)222 to 2(1)225, 2(1)227 to 2(1)228, 2(1)231 to 2(1)233, 2(1)268 to 2(1)290, 2(1)292 to 2(2)311, 2(2)394 to 2(2)402, 2(2)405, 2(2)420 to 2(2)457, 2(2)460 to 2(2)461, 2(2)463 to 2(2)464, 2(2)466 to 2(2)469, 2(2)471 to 2(2)473, 2(2)475 to 2(2)484, 2(2)486 to 2(2)504, 2(2)509, 2(2)512 to 2(2)527, 2(2)529 to 2(2)533, 2(2)535 to 2(2)539, 2(2)541 to 2(2)544 and 2(2)546 to 2(2)581 located at Zunyi Zhongyang Gongyuancheng, Xinpu Avenue, Honghuagang District, Zunyi City, Guizhou Province, the PRC.

2. Pursuant to 2 State-owned Land Use Right Certificates, the land use rights have been granted to Zunyi Jinke Real Estate Development Co., Ltd. (遵義金科房地產開發有限公司, “Zunyi Jinke”), in which the Target Company holds an indirect ownership stake of 100%, with the details as follows:

No.	Certificate No.	Land Usage	Expiry Date	Site Area (sq.m.)
1	Xin Pu Qu Guo Yong (2014) Di No. 009	Residential	24 December 2083	153,181.29
		Commercial	24 December 2053	
2	Xin Pu Qu Guo Yong (2015) Di No. 085	Residential	22 October 2083	100,397.99
		Commercial	22 October 2053	
Total:				253,579.28

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificates.

3. Pursuant to 2 Construction Land Planning Permits – Di Zi Di No. 520000201333745 and 520000201333747, permission for the planning of 2 land parcels with a total site area of approximately 240,478.99 sq.m. has been granted to Zunyi Jinke.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

4. Pursuant to 2 Construction Work Planning Permits – Jian Zi Di No. 520000201428720 and Jian Zi Di No. 520000201702508 in favour of Zunyi Jinke, the construction work of a portion of the Development with a total gross floor area of approximately 106,100.00 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

5. Pursuant to 2 Construction Work Commencement Permits – No. 522101201512280101 and No. 5221012017050202015203041704060130-SX-002 in favour of Zunyi Jinke, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 138,370.00 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permits.

6. In undertaking our valuation, we have assigned no commercial value to the property since Zunyi Jinke has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB21,840,000, assuming the rights-of-use of the property could be freely transferred in the market.
7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:
 - a. Zunyi Jinke has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the State-owned Land Use Right Certificates;
 - b. As confirmed by the Target Group, Zunyi Jinke has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property in compliance with the regulations of PRC laws;
 - c. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - d. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
9. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB28,600 to RMB34,400 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2023 RMB
19.	416 car parking spaces of Jiaozuo Jimei Qingchuan, Southeast of the intersection of Wenchang Road and Jiefang East Road, Macun District, Jiaozuo City, He'nan Province, the PRC (中國河南省焦作市馬村區文昌路與解放東路交匯處東南焦作集美晴川的416個車位)	<p>The property comprises 275 non-civil air defense car parking spaces and 141 civil air defense car parking spaces within a residential development, namely Jiaozuo Jimei Qingchuan (the "Development").</p> <p>The property was held for sale as at the Valuation Date.</p> <p>As advised by the Target Group, the Development was completed in 2022.</p> <p>The Development is located in Macun District, Jiaozuo City, with approximately 11.7 km to Jiaozuo Railway Station and 62.6 km to Zhengzhou Shangjie Airport.</p> <p>The land use rights of the Development have been granted for terms expiring on 12 May 2089 for residential use and on 12 May 2059 for commercial use.</p>	The property was vacant as at the Valuation Date.	No commercial value

Notes:

- The detailed addresses are shown as follows:

Car parking spaces Nos. A001 to A003, A005, A007, A011 to A013, A015 to A018, A020 to A023, A025 to A031, A035 to A039, A050, A052 to A053, A055, A058, A061, A065, A067 to A069, A071, A075 to A079, A081 to A083, A085, A088 to A093, A095 to A096, A099 to A100, A102 to A103, A105 to A107, A109 to A111, A113, A119, A122, A126, A129 to A130, A135, A137 to A139, A150, A153, A155, A158, A160 to A161, A165 to A169, A180, A182 to A183, A185 to A187, A189 to A193, A195 to A203, A205 to A207, A211 to A213, A215 to A223, A225 to A228, A230 to A233, A235 to A239, A251 to A253, A257 to A259, B001 to B002, B006 to B013, B015 to B018, B020 to B023, B029, B036 to B037, B050 to B053, B057, B060, B063, B078, B081, B085, B087, B089, B091, B093, B125, B127 to B128, B130 to B131, B133, B135, B137, B150,

B169 to B173, B175 to B183, B185 to B186, B192 to B193, B195 to B198, B200, B203, B206 to B208, B210, B236, B239, B251, B253, B255, B259 to B263, B265 to B273, B275 to B277, B280 to B283, B285, B291 to B292, B297, B299 to B303, B305 to B313, B322 to B323, B325 to B326, B332, B335 to B337, B352 to B353, B356, B358 to B359, B361 to B362, B365, B370, B372 to B373, C001, C022 to C023, C025 to C026, C028, C032, C035, C038, C051, C058 to C062, C065 to C066, C069, C071 to C073, C075 to C083, C085 to C090, C092 to C093, C095 to C099, C101, C108 to C110, C112 to C113, C115 to C120, C122 to C123, C125 to C133, C135 to C137, C156 to C163, C166 to C171, C173, C177 to C178, C180, C185, C187 to C189, C191, C200, C203, C207, C216 to C217, C227 to C232, C235, C237 to C239, C251, C253, C255 to C256, C259, C268, C273, C276, C278, C288, C295, C308 to C313, C321, C323, C327, C329 to C333, C335, C350 to C353, C355 to C356 and C358 located at Jiaozuo Jimei Qingchuan, Southeast of the intersection of Wenchang Road and Jiefang East Road, Macun District, Jiaozuo City, He'nan Province, the PRC.

2. Pursuant to a Real Estate Ownership Certificate (for land) – Yu (2019) Jiao Zuo Shi Bu Dong Chan Quan Di No. 0013036 issued by Jiaozuo Municipal Bureau of Natural Resources and Planning (焦作市自然資源和規劃局), the land use rights of the Development with a total site area of approximately 40,398.00 sq.m. have been granted to Jiaozuo Jinshang Baishi Real Estate Development Co., Ltd. (焦作金上百世房地產開發有限公司, “Jinshang Baishi”), in which the Target Company holds an indirect ownership stake of 100%, for terms expiring on 12 May 2089 for residential use and on 12 May 2059 for commercial use.

As confirmed by the Target Group, the property comprises a portion of the abovementioned certificate.

3. Pursuant to a Construction Land Planning Permit – Di Zi Di Jiao Gui Ma Di Zi (2019) No. 2, permission for the planning of a land parcel with a total site area of approximately 40,398.00 sq.m. has been granted to Jinshang Baishi.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

4. Pursuant to a Construction Work Planning Permit – Jian Zi Di Jiao Gui Ma Jian Zi 2019 Di No. 28 in favour of Jinshang Baishi, the construction work of a portion of the Development with a total gross floor area of approximately 25,064.74 sq.m. has been approved for construction.

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

5. Pursuant to a Construction Work Commencement Permit – No. 4108002003180102-SX-001 in favour of Jinshang Baishi, permission has been given by the relevant local authority to commence the construction work of a portion of the Development with a total gross floor area of approximately 97,858.00 sq.m..

As confirmed by the Target Group, the property comprises a portion of the abovementioned permit.

6. In undertaking our valuation, we have assigned no commercial value to the property since Jinshang Baishi has yet to obtain proper title certificates of building ownership. For reference purposes, we are of the opinion that the estimated value of the rights-of-use of the property as at the Valuation Date would be RMB9,860,000, assuming the rights-of-use of the property could be freely transferred in the market.

7. We have been provided with the PRC Legal Opinion, which contains, inter alia, the following:

- a. Jinshang Baishi has fully settled all land premium and has legally and validly obtained the land use rights of the property under the terms of the Real Estate Ownership Certificate;
- b. As confirmed by the Target Group, as of the property rights registration information query date on 21 September 2023, Jinshang Baishi has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the non-civil air defense car parking spaces in compliance with the regulations of PRC laws, after the property have obtained completion filing from the government authorities;
- c. As confirmed by the Target Group, Jinshang Baishi has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the civil air defense car parking spaces in compliance with the regulations of PRC laws, after the civil air defense car parking spaces have obtained completion filing from the government authorities;

- d. The property has not been pledged, mortgaged, or subjected to any other encumbrances; and
 - e. Upon completing the acquisition, the Group has the rights to occupy, use, lease or otherwise dispose of the rights-of-use of the property.
8. In the course of our valuation, we assume that the rights-of-use of the property are transferable without legal impediment.
9. Our valuation has been made on the following basis and analysis:

In the course of our valuation of the property, we have made references to comparables located in the area close to the subject property with similar nature, use, size and accessibility as the subject property. The adjusted unit prices of the comparables range from RMB17,400 to RMB27,600 for each of the rights-of-use of the car parking spaces on B1/F. The unit rate adopted in the valuation is consistent with the unit rates of the relevant comparables after due adjustments in terms of floor, location, time and size, etc.

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.

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Jinke Smart Services Group Co., Ltd.

金科智慧服務集團股份有限公司

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

(Stock Code: 9666)

NOTICE OF EXTRAORDINARY GENERAL MEETING TO BE HELD ON 18 APRIL 2024

NOTICE IS HEREBY GIVEN THAT the 2024 first extraordinary general meeting (the “**EGM**”) of Jinke Smart Services Group Co., Ltd. (the “**Company**”) will be convened and held at Building A4, East Zone, Jinke Shiniancheng, No. 480, Panxi Road, Shimahe Street, Jiangbei District, Chongqing, the PRC on Thursday, 18 April 2024 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the relevant resolution set out below. 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 27 March 2024 (the “**Circular**”).

ORDINARY RESOLUTIONS

1. “**THAT** the Second Supplemental Agreement to the 2021 Framework Marketing Service 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; 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 Second Supplemental Agreement to the 2021 Framework Marketing Service Agreement.”
2. “**THAT** the Supplemental Agreement to the 2022 Master Property Management 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; 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 Supplemental Agreement to the 2022 Master Property Management Services Agreement.”

NOTICE OF EGM

3. “**THAT** the Debt Settlement 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; 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 Debt Settlement Agreement.”

By Order of the Board
Jinke Smart Services Group Co., Ltd.
Xia Shaofei
Chairman

Chongqing, 27 March 2024

NOTICE OF EGM

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.jinkeservice.com) in accordance with the Listing Rules.
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, the proxy form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be completed and returned to the Company’s H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 24 hours before the time appointed for the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting at the EGM or any adjourned meeting thereof should he/she 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 Monday, 15 April 2024 to Thursday, 18 April 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, holders of H shares 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 H share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday, 12 April 2024 for registration.
5. The instrument appointing the proxy must be in writing and signed by the appointer 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 Mr. Xia Shaofei as executive Director, Mr. Shi Cheng, Mr. Qi Shihao, Mr. Wu Xiaoli, Ms. Lin Ke and Mr. Xu Guofu as non-executive Directors, and Ms. Xiao Huilin and Ms. Yuan Lin and Mr. Tung Woon Cheung Eric as independent non-executive Directors.