

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



S-Enjoy Service Group Co., Limited

新城悅服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1755)

CONTINUING CONNECTED TRANSACTIONS

(1) 2025 SERVICES FRAMEWORK AGREEMENT;

(2) 2025 SEAZEN FRAMEWORK AGREEMENT;

(3) 2025 SERVICES FRAMEWORK SUPPLEMENTAL AGREEMENT;

AND

(4) 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT

2025 SERVICES FRAMEWORK AGREEMENT; 2025 SEAZEN FRAMEWORK AGREEMENT; 2025 SERVICES FRAMEWORK SUPPLEMENTAL AGREEMENT AND 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT

On 30 October 2024 (after trading hours), the Company entered into (i) the 2025 Services Framework Agreement and the 2025 Services Framework Supplemental Agreement with Mr. Wang; and (ii) the 2025 Seazen Framework Agreement and the 2025 Seazen Framework Supplemental Agreement with Seazen Holdings, in relation to (a) the provision of certain property related services to Mr. Wang's Associated Companies (excluding Seazen Holdings) and Seazen Holdings (where applicable) and (b) the arrangement of payment of the Parking Lot Refundable Deposits, for a term of three years from 1 January 2025 to 31 December 2027.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wang is a controlling shareholder of the Company, and thus is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the New Services Annual Caps and the New Seazen Annual Caps for the transactions contemplated under the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement on an aggregated basis exceeds 0.1% but is less than 5%, the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement (together with the New Services Annual Caps and the New Seazen Annual Caps, respectively) constitute continuing connected transactions of the Company which are subject to the reporting, annual review and announcement requirements but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps for the transactions contemplated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement on an aggregated basis exceeds 5%, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement (together with the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps, respectively) constitute continuing connected transactions of the Company which are subject to the announcement, reporting, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held for, among others, the Independent Shareholders to consider and, if thought fit, to approve the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps). An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps). The resolutions will be passed as ordinary resolutions and voted by poll in accordance with the requirements of the Listing Rules.

A circular containing, among other things, details of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps), a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders, a letter from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, and a notice of the EGM to be convened to approve the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement is expected to be sent to the Shareholders on or before 28 November 2024, taking into account the additional time required for the Company to prepare and finalize the information for inclusion in the circular.

INTRODUCTION

References are made to the announcement of the Company dated 27 October 2023 and the circular of the Company dated 4 December 2023 that, among other things, (i) the Company and Mr. Wang entered into the 2024 Services Framework Agreement in relation to provision of certain property related services to Mr. Wang's Associated Companies (excluding Seazen Holdings), for a term of one year from 1 January 2024 to 31 December 2024 subject to the annual cap thereunder; (ii) the Company and Seazen Holdings entered into the 2024 Seazen Framework Agreement in relation to provision of certain property related services to Seazen Holdings, for a term of one year from 1 January 2024 to 31 December 2024 subject to the annual cap thereunder; (iii) the Company and Mr. Wang entered into the 2024 Services Framework Supplemental Agreement in relation to the arrangement of payment of the parking lot refundable deposits for the purpose of rendering the parking lot sales agency services by the Group to Mr. Wang's Associated Companies (excluding Seazen Holdings) under the 2024 Services Framework Agreement for a term of one year from 1 January 2024 to 31 December 2024; and (iv) the Company and Seazen Holdings entered into the 2024 Seazen Framework Supplemental Agreement in relation to the arrangement of payment of the parking lot refundable deposits for the purpose of rendering the parking lot sales agency services by the Group to Seazen Holdings under the 2024 Seazen Framework Agreement for a term of one year from 1 January 2024 to 31 December 2024.

As the 2024 Services Framework Agreement, the 2024 Services Framework Supplemental Agreement, the 2024 Seazen Framework Agreement and the 2024 Seazen Framework Supplemental Agreement will expire on 31 December 2024, on 30 October 2024 (after trading hours), the Company has entered into (i) the 2025 Services Framework Agreement with Mr. Wang in relation to the provision of certain property related services to Mr. Wang's Associated Companies (excluding Seazen Holdings) for a term of three years from 1 January 2025 to 31 December 2027; (ii) the 2025 Seazen Framework Agreement with Seazen Holdings in relation to the provision of certain property related services to Seazen Holdings for a term of three years from 1 January 2025 to 31 December 2027; (iii) the 2025 Services Framework Supplemental Agreement with Mr. Wang in connection with the arrangement of payment of the Parking Lot Refundable Deposits for the purpose of rendering the Parking Lot Sales Agency Services by the Group to Mr. Wang's Associated Companies (excluding Seazen Holdings) under the 2025 Services Framework Agreement for a term of three years from 1 January 2025 to 31 December 2027; and (iv) 2025 Seazen Framework Supplemental Agreement with Seazen Holdings in connection with the arrangement of payment of the Parking Lot Refundable Deposits for the purpose of rendering the Parking Lot Sales Agency Services by the Group to Seazen Holdings under the 2025 Seazen Framework Agreement for a term of three years from 1 January 2025 to 31 December 2027.

THE 2025 SERVICES FRAMEWORK AGREEMENT AND THE 2025 SEAZEN FRAMEWORK AGREEMENT

The principal terms of the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement are set out below, which are substantially identical except for the contractual parties and the relevant annual caps set out thereunder:

Date: 30 October 2024 (after trading hours)

Parties: *2025 Services Framework Agreement*
(i) The Company; and
(ii) Mr. Wang

2025 Seazen Framework Agreement
(i) The Company; and
(ii) Seazen Holdings

Term: From 1 January 2025 to 31 December 2027 (both days inclusive)

Each of the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement shall become effective upon (i) due execution by the parties thereof; and (ii) the parties having obtained all necessary approvals under all relevant laws, regulations, regulatory documents and regulatory rules (including but not limited to the Listing Rules).

Property Management
Services and Value-
added Services:

The Company is commissioned to provide various property management services and value-added services, including the maintenance, consultancy and inspection services in connection with the projects of Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be). The Company agrees to provide the following services to Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) with the pricing policies and payment terms as briefly listed below:

a. Property Management Services

Scope of Services: The Company shall provide maintenance, conservation and management services for the properties, ancillary facilities and relevant premises, and maintain the environmental hygiene and order of the relevant areas in accordance with the service standards as agreed in the subsidiary agreements.

Pricing Policy: The fees for the property management services shall be determined after arm's length negotiations having regard to (where applicable) the prevailing market rates (with reference to the locations of the properties, the scope of services and the expected operating costs, including but not limited to labour costs and administrative costs) and historical transaction amounts. The fees for the property management services shall not be higher than the guidance price for the provision of such services to similar properties issued by the local government. For the vacant properties that have been delivered but not sold by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) or other properties for which property service fees are payable by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) according to relevant rules, Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) shall be charged in accordance with the contract(s) or any other relevant agreement(s).

In particular, for adhering to the pricing policy above, the Group would generally take into account a number of factors, including (i) the type and location of properties, (ii) the Group's budgeted costs, (iii) the contracted scope and standard of services, (iv) the Group's brand recognition in the cities, (v) local government policies and pricing guidance (if applicable), (vi) the property management fees charged by preceding property management service providers (if applicable), and (vii) future profitability after taking into consideration the increase in labour costs in the foreseeable future. In particular, the fees charged by property management companies nationwide are regulated by the price administration department and construction administration department of the State Council. The price administration department of the local people's governments above the county level and the competent property management administration departments at the same level are responsible for regulating the fees charged by property management companies in their respective administrative regions. Therefore, different administrative regions may have different government guidance prices for different types of properties and service standards. Local government policies and pricing guidance apply to most of the preliminary property management services agreements entered into between the property developers and the Group at the preliminary stage.

As of 31 December 2023 and 30 September 2024, the average property management fees charged to Mr. Wang's Associated Companies (as owners of completed but unsold properties) for the residential properties under the Group's management were RMB2.13 and RMB2.13 per sq.m. per month, respectively, which (i) are identical to the average property management fees charged to other property owners for the same residential properties under the Group's management at either the preliminary stage¹ or property owners' associations stage; and (ii) are generally in line with the average property management fees charged to property developers other than Mr. Wang's Associated Companies (as owners of completed but unsold properties) for similar types of properties and service standards with slight adjustments depending on factors as mentioned in (i) to (vii) above. Further, as confirmed by the Board, the average property management fees charged by the Company to Mr. Wang's Associated Companies are no less favourable than the management fees charged by the Company to third-party property developers.

Payment Terms: Service fees shall be charged in accordance with the subsidiary agreements to be entered into. Payment shall in general be made annually, half-yearly, quarterly or monthly as agreed in the subsidiary agreements.

b. Intelligent Construction Services

Scope of Services: The subsidiaries of the Company will participate in the bidding held by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings and its subsidiaries (as the case may be) for the construction projects of intelligence systems. The construction services for community intelligence systems such as surveillance system, access control system, parking system and indoor smart homes shall be provided to the property projects developed by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings and its subsidiaries (as the case may be).

¹ Preliminary stage refers to the period starting from the date when the property management services agreement with the property developer becomes effective and ending on the date when such agreement expires/terminates and the property management services agreement with property owners' association becomes effective.

Pricing Policy: The Company will submit its tenders or provide its quotations after taking into account the corresponding equipment and accompanying support materials required by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) and the manpower needed. Upon reaching an agreement by both parties, the said price shall be the price for the construction services of the intelligence systems.

Following the pricing policy set out above, the Company will generally deploy appropriate equipment purchased from third party manufacturers with relevant materials based on the request of Mr. Wang's Associated Companies, and make bids/quotations accordingly. The price for intelligent construction services will be determined through agreement between Mr. Wang's Associated Companies and the Company by adhering to the pricing policy detailed above and taking into account factors including, prevailing market prices, technical skills and know-how required and the Company's costs of services (including the manpower required for construction and the installation procedures requirement based on the construction blueprints of the relevant projects).

Payment Term: Payment shall be made in the manner as agreed pursuant to the subsidiary agreements to be entered into, which shall in general be upon the completion of the construction works, and the inspection and acceptance by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be), and the payment shall be made based on the final account.

c. Sales Offices Management Services

Scope of Services: The Company is responsible for the management of the sale offices, city exhibition halls, showrooms and clubhouses of Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) and the provision of cleaning, security and customer services to Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be).

Pricing Policy: Both parties to the transaction shall determine the price through negotiations with reference to the combination of such factors as transaction prices in surrounding active markets and the Company's costs of services (including but not limited to labour costs and consumable costs), plus the reasonable management fees mark-up and others.

In particular, for adhering to the pricing policy set out above, when determining the market price in a particular region, the Group will take into account (a) the level of fees charged by the Group for other projects in the same region of similar scale, (b) the number of staff members needed, (c) whether the staff is required to have any specific skill or qualification, (d) the applicable minimum wage in the same region, and (e) the costs of deploying local staff members of the Group.

Payment Terms: Payment shall be made in the manner as agreed pursuant to the subsidiary agreements to be entered into, which shall in general be settled and made quarterly or monthly.

d. Detailed Property Inspection Services

Scope of Services: Before the delivery of properties, the Company shall organize inspectors to carry out detailed inspection for the property projects as instructed by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be). The Company shall provide quality inspection which involves the inspection of the practical functions and the detailed perception of each residential unit and all interior components; detailed quality inspection of each part and component of outdoor general engineering, including roads, underground garages, community landscape, artistic items and green plantation; and auxiliary services which involve the inspection of the practical functions and the detailed perception of, among others, the security intelligence system. The Company shall provide feedback to rectify based on the inspection results and in accordance with the delivery and acceptance standards of project management of Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) and inspection standards of the Company, to improve the delivery quality of Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be).

Pricing Policy: Both parties to the transaction shall determine the price through negotiations with reference to the combination of such factors as the transaction prices in surrounding active markets and the service costs of the Company (including but not limited to labour costs and consumable costs), plus the reasonable management fees mark-up and others.

In particular, for adhering to the pricing policy set out above, the Group will make reference to the prices charged by at least two other medium to large scale property management companies listed on the Stock Exchange for similar projects, which are obtained from industry experts and the business development department of the Group, the number of staff members required to complete the projects as well as the facilities required to be inspected.

Payment Terms: Payment shall be made in accordance with the subsidiary agreements to be entered into, which shall in general be settled based on quality of the services within one month after the end of the services.

e. Property Preliminary Stage Consultancy Services

Scope of Services: Preliminary proposal: The Company shall give advices on property services related to project design and practical functions during marketing positioning, planning and designing stage of the project, as well as advices on the improvement of property services in areas involving engineering, procurement, design and other professional areas during the development stage.

Pre-delivery risk assessment: The Company shall conduct risk assessment based on pre-delivery on-site condition and the progress of construction. The risk assessment mainly includes: (1) safety (entrance and exit design, security intelligence system, firefighting facilities and equipment, road traffic signs, etc.); (2) engineering (elevator, power system, water supply and drainage, fire protection system, intelligence system, children's fitness facilities, lighting, lightning protection, equipment room, technical information, etc.); and (3) landscape (trees, shrubs and vegetation, lawn, water collection points, dumpster placement points, road flooring, etc.).

Preparation for pre-delivery: The Company shall start the planning and setting up of project team, project service and management plan optimization, staff recruitment, initial identification of project manager, training for service personnel at all levels, clothing procurement, participate in project pre-delivery risk assessment and propose rectification, material production; and various preparatory work before delivery, and coordinate and communicate with Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) prior to delivery, etc..

Pricing Policy: The service fees shall be determined through negotiations between the subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) and the Company with reference to the transaction prices in surrounding active markets and the costs for provision of services by the Company.

In particular, for adhering to the pricing policy above, the Group will make reference to the prices charged by at least two other medium to large scale property management companies listed on the Stock Exchange for similar projects, which are obtained from industry experts and the business development department of the Group, the number of staff members needed and whether the staff is required to have any specific qualification such as graduated from any specific faculty.

Payment Terms: Payment shall be made in accordance with the subsidiary agreements to be entered into, which shall in general be a lump sum payment made within three months after the delivery of properties.

f. Parking Lot Sales Agency Services

Scope of Services: The subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) shall entrust the Company to provide sales agency services in relation to the delivered parking lots of their development projects.

Pricing Policy: The method for the calculation of the agency fees for the sales of parking lots shall be determined through negotiations between Mr. Wang's Associated Companies (excluding Seazen Holdings)/subsidiaries of Seazen Holdings (as the case may be) and the Company based on the local market condition of the parking agent sales, which shall in general be in a form of either sale commission (a certain percentage of commission to the sales income being charged), or through sales by the Company (a certain amount of deposits shall be paid by the Company to Mr. Wang's Associated Companies (excluding Seazen Holdings)/subsidiaries of Seazen Holdings (as the case may be) for securing the parking lots available for sale from such Mr. Wang's Associated Companies (excluding Seazen Holdings)/subsidiaries of Seazen Holdings (as the case may be) with a discounted price for sale (such specific discounted price shall be determined with reference to the prevailing local market conditions), and the Company shall enjoy the benefits arising from the difference between the actual selling price and the discounted base price of the parking lots).

Generally, the Group obtains new parking lot sales projects from Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) through either tendering or appointment by way of agreement. The Group will settle in accordance with terms of individual sales or exclusive distribution² arrangements, and under both circumstances the fees are charged on a commission basis.

During 2024, the commission charged by the Group for provision of Parking Lot Sales Agency Services ranged from 24% to 43% of the sales amount. For 2025, it is expected that similar range of commission rate will be charged by the Group, which is also in line with the market practice.

² Exclusive distribution is an arrangement between the Group and Mr. Wang's Associated Companies, whereby an exclusive right to sell all parking lots of a particular project is granted to the Group. Generally, for Parking Lot Sales Agency Services which are provided under such exclusive distribution arrangement, the Group would normally be required to pay the Parking Lot Refundable Deposits (which are generally interest-free and refundable in nature) to Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be). The Parking Lot Refundable Deposits will generally be returned to the Group in the following manners: (i) upon completion of the sales of any parking lots, the Parking Lot Refundable Deposits corresponding to such parking lots that had been sold shall be returned to the Group along with the agreed sales commission; and (ii) with respect to the parking lots that the Group had not been able to procure any sales, such corresponding Parking Lot Refundable Deposits shall be returned back to the Group upon the expiration of the relevant Parking Lot Sales Agency Services Subsidiary Agreement (which generally has a term of three years). As confirmed by the Directors, the payment of Parking Lot Refundable Deposits is consistent with the industry practice in relation to parking lots sales agency services and the similar parking lots sales agency services that the Group provided to independent third parties. The Directors consider the payments are conducive for the Group to secure the engagement of the Group to provide Parking Lot Sales Agency Services, which would in turn ensure a stable income stream and enhance profitability of the Group.

To cater for the arrangement of payment of Parking Lot Refundable Deposits to Mr. Wang's Associated Companies (excluding Seazen Holdings) and Seazen Holdings which constitute continuing connected transactions of the Group, the Group has entered into the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement. For further details, please refer to the section headed "The 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement" in this announcement.

The parties shall negotiate the settlement approaches of the Parking Lot Sales Agency Services, being either through individual sales or exclusive distribution arrangements, on an arm's length basis and taking into account the then local market conditions. The Group often prefers an approach which brings greater profitability, while the counterparty is often more cost conscious and in the case of tendering, they will usually include their preferred approach in the tender documents. If the Group considers the profitability of such particular project is comparatively low, the Group will not participate in the tender.

Payment Terms: The service fees shall be determined in accordance with the terms of the subsidiary agreements to be entered into and the payment shall in general be made quarterly based on the actual number of parking lots sold by the Company.

g. Property Maintenance and Management Services during the Warranty Period

Scope of Services: Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) shall entrust the Company to provide coordination and management services for any property quality issues of the delivered properties under their development within the warranty period for such properties and ultimately solve such property quality issues for the property owners.

Pricing Policy: The price shall be determined through negotiations between both parties based on the factors such as the costs of professional personnel deployed and the reasonable management costs for the services provided by the Company.

Payment Terms: Payment shall be determined in accordance with the subsidiary agreements to be entered into and shall in general be made quarterly.

h. Elevator Installation and Maintenance Services

Scope of Services: The subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) shall entrust the Company to carry out elevator installation services in their property development projects, and to provide maintenance services for the elevators in some of the properties they held.

Pricing Policy: The price shall be determined through negotiations between the subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) and the Company based on the transaction prices in surrounding active markets and the service costs of the Company (including but not limited to labour costs and consumable costs).

In particular, for adhering to the pricing policy above, when determining the market price in a particular region, the Group will take into account (a) the location and conditions of the elevators and the properties, (b) the purchasing cost of the elevators and the anticipated operational costs including labour costs and material costs and (c) the costs of deploying local staff members of the Group.

Payment Terms: Payment for the elevator installation services shall be made as agreed under the subsidiary agreements to be entered into, for which part of the payment shall in general be made upon the commencement of the construction works, and the remaining balance shall be paid based on the final account upon the inspection and acceptance of the projects by Mr. Wang's Associated Companies (excluding Seazen Holdings)/subsidiaries of Seazen Holdings (as the case may be) after the completion of the construction works. The payment for elevator maintenance services shall be settled quarterly in accordance with the service contract.

i. On-site Event Planning and Layout Services

Scope of Services: The subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) shall entrust the Company to conduct on-site event planning, product sourcing and layout services for their property development projects.

Pricing Policy: The price shall be determined through negotiations between the subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) and the Company based on the transaction prices in surrounding active markets and the service costs of the Company (including but not limited to labour costs and consumable costs).

In particular, for adhering to the pricing policy above, when determining the market price in a particular region, the Group will take into account (a) the level of fees charged by the Group for other projects in the same region of similar scale, (b) the number of staff members needed, (c) whether the staff is required to have any specific skill or qualification, (d) the applicable minimum wage in the same region and (e) the costs of deploying local staff members of the Group.

Payment Terms: Payment shall be made in accordance with the subsidiary agreements to be entered into, and the settlement shall be made, in general, based on the service quality within 1 month after the services are completed.

j. Miscellaneous Entrustment Services

Scope of Services: The subsidiaries of Mr. Wang's Associated Companies (excluding Seazen Holdings)/ subsidiaries of Seazen Holdings (as the case may be) shall entrust the Company to provide miscellaneous services in relation to their development projects.

Pricing Policy: The price shall be determined principally by arm's length commercial negotiations according to the principles of fairness and reasonableness by taking into account factors including locations of the development projects, the operational costs (including labour costs and material costs, if applicable) with reference to the fees for similar services and similar type of development projects in the market from time to time (if applicable).

In particular, for adhering to the pricing policy above, when determining the market price in a particular region, the Group will take into account (a) the level of fees charged by the Group for other projects in the same region of similar scale, (b) the number of staff members needed, (c) whether the staff is required to have any specific skill or qualification, (d) the applicable minimum wage in the same region and (e) the costs of deploying local staff members of the Group.

Payment Terms: Payment shall be determined in accordance with the subsidiary agreements to be entered into and shall in general be made in a lump sum after the end of provision of services.

Subsidiary Agreement(s): For the property management services and value-added services required by each project of Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) under the 2025 Services Framework Agreement or the 2025 Seazen Framework Agreement, Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) and the Company shall (directly or through their respective subsidiaries) enter into subsidiary agreements setting out the specific scopes of services required and amount of fees payable in conformity with the principles (including the pricing policy mentioned above) set out in the 2025 Services Framework Agreement or the 2025 Seazen Framework Agreement.

All transactions contemplated under the 2025 Services Framework Agreement or 2025 Seazen Framework Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis. It is agreed that the terms offered by the Company to Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings (as the case may be) should not be less favorable than those offered to other parties for similar services.

THE 2025 SERVICES FRAMEWORK SUPPLEMENTAL AGREEMENT AND THE 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT

During the ordinary course of rendering Parking Lot Sales Agency Services by the Group to Mr. Wang's Associated Companies, for Parking Lot Sales Agency Services which are provided under the exclusive distribution arrangement (i.e. an agreement between the Group and the customer (Mr. Wang's Associated Companies in this case), whereby an exclusive right to sell all parking lots of a particular project is granted to the Group), the Group would normally be required to pay the Parking Lot Refundable Deposits to Mr. Wang's Associated Companies. Such payment arrangement would constitute discloseable and continuing connected transactions of the Group. As the 2024 Services Framework Supplemental Agreement and the 2024 Seazen Framework Supplemental Agreement (for catering the arrangement of payment of Parking Lot Refundable Deposits) will expire by 31 December 2024, the Group therefore entered into the 2025 Services Framework Supplemental Agreement and 2025 Seazen Framework Supplemental Agreement with Mr. Wang and Seazen Holdings, respectively to renew the aforesaid payment arrangement.

The principal terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are set out below, which are substantially identical except for the contractual parties and the relevant annual caps set out thereunder:

Date: 30 October 2024 (after trading hours)

Parties: *2025 Services Framework Supplemental Agreement*

- (i) The Company; and
- (ii) Mr. Wang

2025 Seazen Framework Supplemental Agreement

- (i) The Company; and
- (ii) Seazen Holdings

Term: From 1 January 2025 to 31 December 2027 (both days inclusive)

Each of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement shall become effective upon (i) due execution by the parties thereof; and (ii) the parties having obtained all necessary approvals (including but not limited to approvals from their independent shareholders and/or their parent company's independent shareholders at their and/or their parent company's general meeting) under all relevant laws, regulations, regulatory documents and regulatory rules (including but not limited to the Listing Rules).

Subject Matter and Pricing Policy:

The arrangement of payment of Parking Lot Refundable Deposits shall follow the following principles:

- (i) The Parking Lot Refundable Deposits payable shall be calculated as follows:

$$\begin{array}{l} \text{Parking Lot} \\ \text{Refundable Deposits} \\ \text{payable} \end{array} = \begin{array}{l} \text{Base price of each} \\ \text{parking lot}^{\#} \end{array} \times \begin{array}{l} \text{Number of parking lots under} \\ \text{the relevant Parking Lot Sales} \\ \text{Agency Services Subsidiary} \\ \text{Agreement} \end{array}$$

Base price is the pre-determined acceptable lowest sales price. The basis of determination of the base price will be discussed below.

- (ii) The Parking Lot Refundable Deposits shall be refunded to the Group in the following manners upon fulfilment of the conditions set out below:

- (a) on a monthly basis and from the month following the entering into of the Parking Lot Sales Agency Services Subsidiary Agreement(s), the amount of Parking Lot Refundable Deposits with respect to the parking lots sold in the previous month will be refunded to the Group; and

- (b) with respect to the parking lots that the Group had not been able to procure any sales, such corresponding Parking Lot Refundable Deposits shall be refunded back to the Group within a specified period (not more than 30 days) upon the expiration of the relevant Parking Lot Sales Agency Services Subsidiary Agreement(s).
- (iii) The base price of each parking lot shall be determined by Mr. Wang's Associated Companies (excluding Seazen Holdings)/Seazen Holdings or its subsidiaries (as the case may be) with reference to factors such as (i) the popularity of the parking lot; (ii) the condition of the real estate market; and (iii) the location of the parking lot, etc..

Subsidiary Agreement(s): The parties shall enter into Parking Lot Sales Agency Services Subsidiary Agreement(s) based on the terms of the 2025 Services Framework Supplemental Agreement (or the 2025 Seazen Framework Supplemental Agreement). Each Parking Lot Sales Agency Services Subsidiary Agreement shall have an effective period of not more than 3 years, and shall be terminated with immediate effect upon the termination or expiration of the 2025 Services Framework Supplemental Agreement (or the 2025 Seazen Framework Supplemental Agreement) (if not being further extended for whatever reasons).

HISTORICAL TRANSACTION AMOUNTS

In relation to the property management services and value-added services under the 2025 Services Framework Agreement and 2025 Seazen Framework Agreement

The table below shows the allocation of annual caps and the actual amount charged for each of the property management services and value-added services provided to Mr. Wang's Associated Companies (excluding Seazen Holdings) and Seazen Holdings for the three years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2024:

Mr. Wang’s Associated Companies (excluding Seazen Holdings)

	For the year ended 31 December						For the nine months ended 30 September	
	2021		2022		2023		2024	
	(RMB million) ^{Note 1}		(RMB million) ^{Note 1}		(RMB million) ^{Note 1}		(RMB million) ^{Note 1}	
	Actual amount	Allocation of annual cap	Actual amount	Allocation of annual cap	Actual amount	Allocation of annual cap	Actual amount	Allocation of annual cap
Property management services	3.6	10.0	16.1	15.0	9.5	30.0	5.9	15.0
Value-added services								
— Sales offices management services	78.8	80.0	57.2	145.0	36.3	30.0	11.1	40.0
— Intelligent construction services	35.5	20.0	31.6	20.0	16.9	10.0	8.5	20.0
— Parking lot sales agency services	(5.5) ^{Note 2}	—	2.8	45.0	3.2	10.0	0.7	5.0
— Detailed property inspection services	22.8	20.0	13.8	50.0	5.6	10.0	7.3	10.0
— Property preliminary stage consultancy services	24.9	20.0	21.7	50.0	9.0	10.0	8.8	10.0
— Elevator installation and maintenance services	4.7	—	7.9	—	3.8	—	0.8	5.0
— Property maintenance and management services during the warranty period	3.5	—	1.6	20.0	3.9	—	1.3	5.0
— On-site event planning and layout services	0.6	—	2.9	5.0	7.4	—	4.3	10.0
Total	<u>168.9</u>	<u>150.0</u>	<u>155.6</u>	<u>350.0</u>	<u>95.6</u>	<u>100.0</u>	<u>48.7</u>	<u>120.0</u>

Notes:

1. The annual caps of each category of service are for illustrative purposes only, which (i) were prepared based on the estimation of the management at the time of setting the annual cap of a particular year and (ii) have included the 10% buffer for all categories of services.
2. For the year ended 31 December 2021, the Group received a total of approximately RMB2.9 million from Mr. Wang’s Associated Companies in respect of Parking Lot Sales Agency Services, during the same period, there were returns of parking lots sold and as such generated a total refund in the amount of approximately RMB8.4 million. Accordingly, there was a net negative balance of approximately RMB5.5 million in respect of Parking Lot Sales Agency Services for the year ended 31 December 2021.

Seazen Holdings

	For the year ended 31 December						For the nine months ended 30 September	
	2021		2022		2023		2024	
	(RMB million) ^{Note 1}		(RMB million) ^{Note 1}		(RMB million) ^{Note 1}		(RMB million) ^{Note 1}	
	Actual amount	Allocation of annual cap	Actual amount	Allocation of annual cap	Actual amount	Allocation of annual cap	Actual amount	Allocation of annual cap
Property management services	43.3	80.0	73.9	135.0	40.3	200.0	50.7	125.0
Value-added services								
— Sales offices management services	347.6	460.0	188.0	405.0	105.8	330.0	39.0	100.0
— Intelligent construction services	468.5	380.0	299.9	540.0	220.3	290.0	79.4	180.0
— Parking lot sales agency services	87.7	60.0	90.9	255.0	14.7	190.0	1.9	55.0
— Detailed property inspection services	163.0	140.0	95.3	110.0	67.0	120.0	26.7	65.0
— Property preliminary stage consultancy services	139.9	120.0	94.3	100.0	79.9	110.0	26.9	85.0
— Elevator installation and maintenance services	11.2	50.0	28.6	50.0	27.3	50.0	15.5	30.0
— Property maintenance and management services during the warranty period	43.8	40.0	31.1	40.0	16.9	40.0	2.8	20.0
— On-site event planning and layout services	8.0	20.0	15.6	15.0	27.3	20.0	22.5	20.0
Total	<u>1,313.0</u>	<u>1,350.0</u>	<u>917.6</u>	<u>1,650.0</u>	<u>599.5</u>	<u>1,350.0</u>	<u>265.4</u>	<u>680.0</u>

Note:

- The annual caps of each category of service are for illustrative purposes only, which (i) were prepared based on the estimation of the management at the time of setting the annual cap of a particular year and (ii) have included the 10% buffer for all categories of services.

In relation to the payment arrangement of Parking Lot Refundable Deposits under the 2025 Services Framework Supplemental Agreement and 2025 Seazen Framework Supplemental Agreement

The table below sets forth the historical transaction amounts of the Parking Lot Refundable Deposits paid by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings) and Seazen Holdings for the three years ended 31 December 2021, 2022 and 2023 and the nine months ended 30 September 2024:

	For the year ended 31 December			For the nine months ended
	2021	2022	2023	30 September
	(RMB'000)	(RMB'000)	(RMB'000)	2024 (RMB'000)
Maximum daily balance of the Parking Lot Refundable Deposits				
• Mr. Wang’s Associated Companies (excluding Seazen Holdings)	72,331.74	93,273.53	75,191.78	69,365.74
• Seazen Holdings	256,269.24	494,724.98	496,424.50	467,722.03

NEW ANNUAL CAPS AND THEIR BASIS

In relation to the 2025 Services Framework Agreement and 2025 Seazen Framework Agreement

The maximum annual service fees payable to the Group by Seazen Holdings for the property management services and value-added services contemplate under the 2025 Seazen Framework Agreement for the three years ending 31 December 2027 shall not exceed RMB100.0 million, RMB100.0 million and RMB100.0 million, respectively.

The maximum annual service fees payable to the Group by Mr. Wang's Associated Companies (excluding Seazen Holdings) for the property management services and value-added services contemplated under the 2025 Services Framework Agreement for the three years ending 31 December 2027 shall not exceed RMB20.0 million, RMB20.0 million and RMB20.0 million, respectively.

Set out below is the estimated allocation of the New Services Annual Caps and the New Seazen Annual Caps to the property management services and value-added services to be rendered to Mr. Wang's Associated Companies and Seazen Holdings.

Estimated allocation of New Services Annual Caps for property management services and value-added services to be rendered to Mr. Wang's Associated Companies (excluding Seazen Holdings)

	For the year ending 31 December		
	2025 (RMB million)	2026 (RMB million)	2027 (RMB million)
Property management services	4.0	4.0	4.0
Value-added services			
— Sales offices management services	2.0	2.0	2.0
— Intelligent construction services	2.0	2.0	2.0
— Parking lot sales agency services	2.0	2.0	2.0
— Detailed property inspection services	2.0	2.0	2.0
— Property preliminary stage consultancy services	2.0	2.0	2.0
— Elevator installation and maintenance services	2.0	2.0	2.0
— Property maintenance and management services during the warranty period	2.0	2.0	2.0
— On-site event planning and layout services	2.0	2.0	2.0
Total	20.0	20.0	20.0

Estimated allocation of New Seazen Annual Caps for property management services and value-added services to be rendered to Seazen Holdings

	For the year ending 31 December		
	2025	2026	2027
	<i>(RMB million)</i>	<i>(RMB million)</i>	<i>(RMB million)</i>
Property management services	20.0	20.0	20.0
Value-added services			
— Sales offices management services	10.0	10.0	10.0
— Intelligent construction services	10.0	10.0	10.0
— Parking lot sales agency services	10.0	10.0	10.0
— Detailed property inspection services	10.0	10.0	10.0
— Property preliminary stage consultancy services	10.0	10.0	10.0
— Elevator installation and maintenance services	10.0	10.0	10.0
— Property maintenance and management services during the warranty period	10.0	10.0	10.0
— On-site event planning and layout services	10.0	10.0	10.0
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Total	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

In determining the New Services Annual Caps and the New Seazen Annual Caps for the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement, the Directors have considered various factors including:

- (a) the estimated decrease in the demand of Mr. Wang's Associated Companies for property related services going forward: based on the public information disclosed by the Seazen Group, the gross floor area under construction of the Seazen Group as at 30 June 2024 is approximately 30.7 million sq.m., representing a year-on-year decrease of approximately 37.7% as compared with that as at 30 June 2023;
- (b) the decreasing trend of historical amounts for property management services and value-added services for the three years ended 31 December 2021, 2022 and 2023 generated from Mr. Wang's Associated Companies. Further, the utilisation rate of the annual cap for the year ending 31 December 2024 based on the actual transaction amount for the nine months ended 30 September 2024 is approximately 39.3% only. The Company also observed that, as at 30 September 2024, the actual transaction amount per month generated from Mr. Wang's Associated Companies has dwindled since the beginning of 2024; and

- (c) other factors such as the Group’s business plans, inflation as well as to cater for unexpected increase in demand for any of the Group’s services and/or unexpected increase in the cost of supply of such services.

In light of the aforesaid, the Company considered it justifiable to set the New Services Annual Caps and the New Seazen Annual Caps to a lower amount for the three years ending 31 December 2027. However, notwithstanding the decreasing trend of historical transaction amounts generated from Mr. Wang’s Associated Companies over the past three years, the Company acknowledged that the PRC government has rolled out wide-ranging supportive measures throughout 2024, with an aim to stabilise the property market in the PRC and to support both property demand and supply, including launching the “white list” mechanism (under which financial institutions are recommended to provide financial support to eligible real estate projects), lifting home buying restrictions, reducing down payment requirements and lowering mortgage rates etc. The Company considers that these measures would have a positive effect on restoring the confidence in the PRC property sector and stimulating property transactions, which could encourage new property development projects and result in demand of property management and value-added services. In this regard, the Company takes a conservative approach and considers it appropriate to set the annual caps at uniform level for each of the three years ending 31 December 2027.

In relation to the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement

The table below sets forth the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps for the Parking Lot Refundable Deposits to be paid by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings) and Seazen Holdings, respectively:

	For the year ending 31 December		
	2025 <i>(RMB’000)</i>	2026 <i>(RMB’000)</i>	2027 <i>(RMB’000)</i>
Maximum daily balance of the Parking Lot Refundable Deposits under the 2025 Services Framework Supplemental Agreement	62,000	62,000	62,000
Maximum daily balance of the Parking Lot Refundable Deposits under the 2025 Seazen Framework Supplemental Agreement	395,000	395,000	395,000

In arriving at the abovementioned New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps, the Directors have taken into account, among others:

- (i) the amount of maximum daily balance of the Parking Lot Refundable Deposits during the nine months ended 30 September 2024; and
- (ii) the estimated value of parking lots of Seazen Holdings and Mr. Wang's Associated Companies (excluding Seazen Holdings) available for sale by the Group as an agent for the year ending 31 December 2024.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 SERVICES FRAMEWORK AGREEMENT, THE 2025 SEAZEN FRAMEWORK AGREEMENT, THE 2025 SERVICES FRAMEWORK SUPPLEMENTAL AGREEMENT AND THE 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT

The Company is an experienced property management services provider in the PRC engaging in the provision of property management services, such as property and equipment maintenance, security services, cleaning services, gardening services, public area maintenances, whereas Mr. Wang has been involved in property development and property investment in the PRC via the Seazen Group. The Company has been providing such property management services and value-added services to Mr. Wang's Associated Companies (including the Seazen Group) since 1996 and the Directors believe such services are of great assistance to Mr. Wang's Associated Companies (including the Seazen Group), as well as providing a steady stream of income to the Company. The 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement hence represent a stable and trustworthy business relationship which the Group can leverage to achieve its business objectives.

In addition to the above, the Board has further considered the following reasons and benefits in determining the entering into of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement:

- (i) as confirmed by the Directors, the payment of Parking Lot Refundable Deposits is consistent with the industry practice in relation to parking lots sales agency services and the similar parking lots sales agency services that the Group provided to independent third parties;
- (ii) the Directors consider the payments are conducive for the Group to secure from Mr. Wang's Associated Companies the engagement of the Group to provide Parking Lot Sales Agency Services, which would in turn ensure a stable income stream and enhance profitability of the Group;

- (iii) by making the payment of the Parking Lot Refundable Deposits, the Group is generally able to charge higher commission as compared to those Parking Lot Sales Agency Services rendered by the Group without arrangement of Parking Lot Refundable Deposits. As confirmed by the Directors, based on historical transactions, the percentage of commission charged by the Group for Parking Lot Sales Agency Services with payment of Parking Lot Refundable Deposits is generally approximately 10–20 percentage points higher than those without payment of Parking Lot Refundable Deposits, which is consistent with industry practice;
- (iv) the Group generally adopts a policy under which the maximum daily balance of Parking Lot Refundable Deposits shall not be more than 50% of the cash and cash equivalents balances. In order to monitor the maximum daily balance of the Parking Lot Refundable Deposits, the Company shall, on a weekly basis, compare the expected maximum daily balance of the Parking Lot Refundable Deposits payable to Mr. Wang's Associated Companies for the upcoming week based on the relevant Parking Lot Sales Agency Services Subsidiary Agreements executed with the then prevailing cash and cash equivalents balance of the Group to ensure that the aforesaid 50% threshold is not exceeded. Before entering into each new Parking Lot Sales Agency Services Subsidiary Agreement(s), the management of the Company shall also make reference to the potential amount of the Parking Lot Refundable Deposits payable computed based on the relevant underlying payment terms, and such Parking Lot Sales Agency Services Subsidiary Agreement(s) will be entered into on the condition that the maximum daily balance of the Parking Lot Refundable Deposits represents an utilisation of not more than 50% of the prevailing expected cash and cash equivalents balance of the Group. Taking into account such working capital management policy, the expected stable income stream to be acquired by the Group through the payment of the Parking Lot Refundable Deposits and other steady revenue streams from the Group's principal business, the Directors believe that the Company would have sufficient funding for its operation and consider the payment of the Parking Lot Refundable Deposits to be a fair means to better utilize its surplus cash;
- (v) pursuant to the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, the Group has the right, but is not obliged, to enter into Parking Lot Sales Agency Services Subsidiary Agreements with Mr. Wang's Associated Companies for the provision of Parking Lot Sales Agency Services. Before entering into of such Parking Lot Sales Agency Services Subsidiary Agreements with Mr. Wang's Associated Companies, the Group would conduct market research on the subject parking lots, such as their locations, conditions, market price of similar parking lots in the vicinity, to assess the expected sales pace of the subject parking lots and the fairness and reasonableness of the base prices of parking lots (and hence the amount of Parking Lot Refundable Deposits) charged by Mr. Wang's Associated Companies. In the event the Group is of the view that the base prices of parking lots are not reasonable or not in the interests of the Group, the Group would either re-negotiate the base price of the parking lots or elect not to enter into the relevant Parking Lot Sales Agency Services Subsidiary Agreements;

- (vi) the refund mechanism for the Parking Lot Refundable Deposits has been agreed by parties and explicitly provided under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, therefore, the Company believes that the risks in respect of the recoverability of the Parking Lot Refundable Deposits are controllable by the Group; and
- (vii) based on the review of the financial results published by the Seazen Group and Seazen Holdings, the long-term cooperation between Mr. Wang's Associated Companies and the Group, and the historical payment record of payments due from Mr. Wang's Associated Companies to the Group, the Board is not aware of any significant credit risk encountered by Mr. Wang's Associated Companies or anything unusual about the financial capability of the Mr. Wang's Associated Companies. To minimise the credit risk in relation to the payment of the Parking Lot Refundable Deposits, the Company will review the refunding status of the Parking Lot Refundable Deposits on a monthly basis. In the event of a delay in the Parking Lot Refundable Deposits to the Group, the Group will follow up with the relevant Mr. Wang's Associated Companies in a timely manner.

The terms of the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement have been arrived at after arm's length negotiations between the parties thereto. Each of the Directors (for the purpose of the 2025 Service Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, excluding the independent non-executive Directors whose opinion will be included in the letter of advice from the Independent Board Committee which forms part of the circular in respect of the transactions contemplated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement to be sent to the Shareholders after taking into account the advice from the Independent Financial Adviser) is of the view that each of the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement has been entered into on an arm's length basis, on normal commercial terms, and in the usual and ordinary course of business of the Group. The transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that the transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement will be on normal commercial terms, and that the relevant fees will not fall below the prevailing market rate, the guidance price of such services for similar type of development projects issued by the local government (if applicable) and the fees charged to the third party customers independent of the Group, the Group will adopt the following measures:

- (i) the Group will be responsible for regular monitoring of the continuing connected transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement to ensure that the New Services Annual Caps, the New Seazen Annual Caps, the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps will not be exceeded, in particular, the Group will cease to enter into any new subsidiary agreement if such will cause the total contractual income to exceed the New Services Annual Caps, the New Seazen Annual Caps, the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps for that financial year;
- (ii) internal review will be conducted by the Group to assess, on a monthly basis, whether the provision of property management services and value-added services has been made in accordance with the terms of the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and in accordance with the aforesaid pricing policies;
- (iii) prior to entering into of any subsidiary agreements, the personnel of various departments including the legal department, finance department and operation department of the Company will review and assess the specific terms and conditions of the transactions to ensure their consistency with the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement. During such internal review process, the relevant personnel will examine, among others, (a) information of the parties; (b) the term of the agreement; (c) the type and scope of services to be provided by the Group thereunder; and (d) whether the contract price is in line with the aforesaid pricing policies, in order to ensure comment (if any) from various departments of the Group will be properly addressed;

- (iv) the Company will engage its auditor to conduct an annual review of the continuing connected transactions to be conducted pursuant to the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement; and
- (v) the independent non-executive Directors will review the continuing connected transactions to be conducted pursuant to the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement on an annual basis and confirm in the annual report of the Company for the year ending 31 December 2025 whether such continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In addition to the above internal control measures, the Group will further adopt the following measures to monitor the transactions under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement:

- (i) the Company will review the refund status of the Parking Lot Refundable Deposits on a monthly basis. In the event of a delay in the Parking Lot Refundable Deposits to the Group, the Group will follow up with the relevant Mr. Wang's Associated Companies in a timely manner;
- (ii) the Group generally adopts a policy under which the maximum daily balance of Parking Lot Refundable Deposits shall not be more than 50% of the cash and cash equivalents balances. In order to monitor the maximum daily balance of the Parking Lot Refundable Deposits, the Company shall, on a weekly basis, compare the expected maximum daily balance of the Parking Lot Refundable Deposits payable to Mr. Wang's Associated Companies for the upcoming week based on the relevant Parking Lot Sales Agency Services Subsidiary Agreements executed with the then prevailing cash and cash equivalents balance of the Group to ensure that the aforesaid 50% threshold is not exceeded; and
- (iii) the Company shall regularly keep track of the outstanding balance of advances made to any entity (including connected persons of the Company) (within the meaning under Rule 13.13 of the Listing Rules, such as the Parking Lot Refundable Deposits). In the event the amount of advances (e.g. the Parking Lot Refundable Deposits) is about to reach the disclosure threshold prescribed under Rules 13.13 to 13.15 of the Listing Rules, the Board shall be notified forthwith to prepare for follow up action, and the Board shall seek professional advice where necessary.

The Directors consider that the personnel authorised to execute the above internal control measures possess relevant experience and expertise in relation thereto, and the above internal control measures can ensure that the continuing connected transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement will be conducted on normal commercial terms in a manner not prejudicial to the interests of the Company and its Shareholders.

INFORMATION OF THE PARTIES INVOLVED

The Company is an experienced property management services provider in the PRC engaged in the provision of property management services, such as property and equipment maintenance, security services, cleaning services, gardening services, and public area maintenance.

Mr. Wang is a controlling shareholder of the Company. Mr. Wang has been involved in property development and property investment in the PRC via the Seazen Group. Seazen Holdings is a subsidiary of Seazen with its A shares listed on the Shanghai Stock Exchange (stock code: 601155). The principal business activities of Mr. Wang's Associated Companies are property development and property investment in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wang is a controlling shareholder of the Company, and thus is a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the New Services Annual Caps and the New Seazen Annual Caps for the transactions contemplated under the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement on an aggregated basis exceeds 0.1% but is less than 5%, the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement (together with the New Services Annual Caps and the New Seazen Annual Caps, respectively) constitute continuing connected transactions of the Company which are subject to the reporting, annual review and announcement requirements but exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps for the transactions contemplated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement on an aggregated basis exceeds 5%, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement (together with the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps, respectively) constitute continuing connected transactions of the Company which are subject to the announcement, reporting, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, (i) Mr. Wang Xiaosong, a non-executive Director and the son of Mr. Wang; and (ii) Mr. Lv Xiaoping and Mr. Lu Zhongming, being the non-executive Directors and the executive directors of Seazen, were considered to have a material interest in the transactions under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement. As such, they have abstained from voting on the Board resolutions approving the relevant agreements and the transactions contemplated thereunder (including the New Services Annual Caps, the New Seazen Annual Caps, the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps). Save as mentioned above, none of the other Directors has a material interest in the transactions contemplated under the 2025 Services Framework Agreement, the 2025 Seazen Framework Agreement, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, and therefore, no other Director has abstained from voting on approval of the relevant resolutions.

GENERAL

An EGM will be convened and held for, among others, the Independent Shareholders to consider and, if thought fit, to approve the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps). An Independent Board Committee comprising the independent non-executive Directors will be formed to advise the Independent Shareholders on the terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps). The resolutions will be passed as ordinary resolutions and voted by poll in accordance with the requirements of the Listing Rules.

China Sunrise Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps).

A circular containing, among other things, details of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps), a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders, a letter from the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, and a notice of the EGM to be convened to approve the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement is expected to be sent to the Shareholders on or before 28 November 2024, taking into account the additional time required for the Company to prepare and finalize the information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“2024 Seazen Framework Agreement”	the services framework agreement dated 27 October 2023 entered into between the Company and Seazen Holdings in relation to the provision of certain property related services to Seazen Holdings
“2024 Seazen Framework Supplemental Agreement”	the supplemental agreement to the 2024 Seazen Framework Agreement dated 27 October 2023 entered into between the Company and Seazen Holdings in relation to, among others, the payment arrangement of Parking Lot Refundable Deposits payable by the Group to Seazen Holdings
“2024 Services Framework Agreement”	the services framework agreement dated 27 October 2023 entered into between the Company and Mr. Wang in relation to the provision of certain property related services to Mr. Wang’s Associated Companies (excluding Seazen Holdings)

“2024 Services Framework Supplemental Agreement”	the supplemental agreement to the 2024 Services Framework Agreement dated 27 October 2023 entered into between the Company and Mr. Wang in relation to, among others, the payment arrangement of Parking Lot Refundable Deposits payable by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings)
“2025 Seazen Framework Agreement”	the services framework agreement dated 30 October 2024 entered into between the Company and Seazen Holdings in relation to the provision of certain property related services to Seazen Holdings
“2025 Seazen Framework Supplemental Agreement”	the supplemental agreement to the 2025 Seazen Framework Agreement dated 30 October 2024 entered into between the Company and Seazen Holdings in relation to, among others, the payment arrangement of Parking Lot Refundable Deposits payable by the Group to Seazen Holdings
“2025 Services Framework Agreement”	the services framework agreement dated 30 October 2024 entered into between the Company and Mr. Wang in relation to the provision of certain property related services to Mr. Wang’s Associated Companies (excluding Seazen Holdings)
“2025 Services Framework Supplemental Agreement”	the supplemental agreement to the 2025 Services Framework Agreement dated 30 October 2024 entered into between the Company and Mr. Wang in relation to, among others, the payment arrangement of Parking Lot Refundable Deposits payable by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings)
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	S-Enjoy Service Group Co., Limited (新城悅服務集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	the extraordinary general meeting to be held by the Company to consider and approve, among other things, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board consisting of all the independent non-executive Directors
“Independent Financial Adviser”	China Sunrise Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the New Parking Lot Refundable Deposit Annual Caps and the New Seazen Parking Lot Refundable Deposit Annual Caps)
“Independent Shareholder(s)”	the Shareholders, other than Mr. Wang and his associates and all other Shareholders interested in the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Wang”	Mr. Wang Zhenhua, the founder and a controlling shareholder of the Company
“Mr. Wang’s Associated Companies”	companies (including the Seazen Group) in which Mr. Wang can exercise or control the exercise of 30% or more of the voting power at their general meetings and their subsidiaries

“New Parking Lot Refundable Deposit Annual Caps”	the annual caps of RMB62.0 million, RMB62.0 million and RMB62.0 million for the Parking Lot Refundable Deposits payable by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings) under the 2025 Services Framework Supplemental Agreement for the three years ending 31 December 2025, 2026 and 2027, respectively
“New Seazen Annual Caps”	the annual caps of RMB100.0 million, RMB100.0 million and RMB100.0 million for the service fees payable by Seazen Holdings to the Group under the 2025 Seazen Framework Agreement for the three years ending 31 December 2025, 2026 and 2027, respectively
“New Seazen Parking Lot Refundable Deposit Annual Caps”	the annual caps of RMB395.0 million, RMB395.0 million and RMB395.0 million for the Parking Lot Refundable Deposits payable by the Group to Seazen Holdings under the 2025 Seazen Framework Supplemental Agreement for the three years ending 31 December 2025, 2026 and 2027, respectively
“New Services Annual Caps”	the annual caps of RMB20.0 million, RMB20.0 million and RMB20.0 million for the service fees payable by Mr. Wang’s Associated Companies (excluding Seazen Holdings) to the Group under the 2025 Services Framework Agreement for the three years ending 31 December 2025, 2026 and 2027, respectively
“Parking Lot Refundable Deposits”	the refundable deposits to be paid by the Group to the relevant Mr. Wang’s Associated Companies pursuant to the Parking Lot Sales Agency Services Subsidiary Agreements in connection with the Parking Lot Sales Agency Services
“Parking Lot Sales Agency Services”	the parking lot sales agency services to be provided by the Group to Mr. Wang’s Associated Companies as contemplated under the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement
“Parking Lot Sales Agency Services Subsidiary Agreement(s)”	the subsidiary agreement(s) to be entered into between the Group and the relevant Mr. Wang’s Associated Companies in connection with the Parking Lot Sales Agency Services under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Seazen”	Seazen Group Limited (新城發展控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1030)
“Seazen Group”	Seazen and its subsidiaries
“Seazen Holdings”	Seazen Holdings Co., Ltd.* (新城控股集團股份有限公司), a subsidiary of Seazen with its A shares listed on the Shanghai Stock Exchange (stock code: 601155) and one of Mr. Wang’ Associated Companies
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.01 each
“Shareholder(s)”	the holder(s) of the Share(s)
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
S-Enjoy Service Group Co., Limited
Qi Xiaoming
Chairman
Executive Director
Chief Executive Officer

The PRC, 30 October 2024

As at the date of this announcement, the Board comprises Mr. Qi Xiaoming, Mr. Yang Bo and Ms. Wu Qianqian as executive Directors; Mr. Wang Xiaosong, Mr. Lv Xiaoping and Mr. Lu Zhongming as non-executive Directors; and Ms. Zhang Yan, Mr. Zhu Wei and Mr. Xu Xinmin as independent non-executive Directors.

* *For identification purpose only*