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If you have sold or transferred all your shares in Seazen Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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seazen
新城发展
SEAZEN GROUP LIMITED
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

**(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
ENTERING INTO LOAN FRAMEWORK AGREEMENT; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A letter from the Board is set out on pages 4 to 16 of this circular. A letter from the Independent Board Committee is set out on pages 17 to 18 of this circular. A letter from Gram Capital, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 28 of this circular.

A notice convening the EGM of the Company to be held at Suites 1006-1008, 10/F, ICBC Tower, 3 Garden Road, Central, Hong Kong on Monday, 9 December 2024 at 10:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. If you intend to attend the EGM by proxy, you are required to duly complete the form of proxy according to the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 10:30 a.m. on Saturday, 7 December 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting thereof if they so wish. Such form of proxy is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.seazengroup.com.cn.

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DEFINITIONS

In this circular (other than those set out in the Notice of EGM), unless the context otherwise requires, the following expressions shall have the following meanings:

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Seazen Group Limited (新城發展控股有限公司), 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 of the Company to be convened and held at Suites 1006-1008, 10/F, ICBC Tower, 3 Garden Road, Central, Hong Kong on Monday, 9 December 2024 at 10:30 a.m. for the Independent Shareholders to consider and, if thought fit, to approve the ordinary resolution in relation to the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee (which comprises Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke, all of them being independent non-executive Directors) established to advise the Independent Shareholders in respect of the continuing connected transactions contemplated under the Loan Framework Agreement and the proposed annual caps

DEFINITIONS

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions contemplated under the Loan Framework Agreement and the proposed annual caps
“Independent Shareholders”	the Shareholders, other than Mr. Wang and his associates and all other Shareholders interested in the Loan Framework Agreement
“Latest Practicable Date”	18 November 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Loan”	the loan in the aggregate principal amount of RMB1,000.0 million under the Loan Framework Agreement
“Loan Agreement”	the loan agreement dated 30 September 2024 entered into between S-Enjoy Service and Seazen Holdings in relation to the provision of the New Loan
“Loan Framework Agreement”	the loan framework agreement dated 30 September 2024 entered into between S-Enjoy Service and Seazen Holdings in relation to the provision of the Loan
“Mr. Wang”	Mr. Wang Zhenhua, the controlling shareholder of the Company
“New Loan”	the loan in the principal amount of RMB120.0 million under the Loan Agreement
“Notice of EGM”	the notice convening the EGM as set out on pages EGM-1 to EGM-3 of this circular
“PRC”	the People’s Republic of China

DEFINITIONS

“Property”	a portion of the composite commercial building held by Seazen Holdings Group in the PRC with total gross floor area of approximately 82,077.41 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“S-Enjoy Group”	S-Enjoy Service and its subsidiaries
“S-Enjoy Service”	S-Enjoy Service Group Co., Limited* (新城悅服務集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1755)
“Seazen Holdings”	Seazen Holdings Co., Ltd. (新城控股集團股份有限公司), a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (stock code: 601155)
“Seazen Holdings Group”	Seazen Holdings and its subsidiaries
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* For identification purposes only

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新城发展
SEAZEN GROUP LIMITED
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

Executive Directors:

Mr. Lv Xiaoping (*Chief Executive Officer*)
Mr. Lu Zhongming

Non-Executive Directors:

Mr. Wang Xiaosong (*Chairman*)
Mr. Zhang Shengman

Independent Non-Executive Directors:

Mr. Zhu Zengjin
Mr. Zhong Wei
Ms. Wu Ke

Registered office:

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

*Principal place of
business in Hong Kong:*

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

22 November 2024

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
ENTERING INTO LOAN FRAMEWORK AGREEMENT; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 30 September 2024 in relation to, among others, the continuing connected transactions in relation to entering into the Loan Framework Agreement.

The main purpose of this circular is, among others, to provide the Shareholders with the following information, so that the Shareholders can make properly informed decisions on the ordinary resolution proposed at the EGM:

1. details in relation to the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps);

LETTER FROM THE BOARD

2. the opinion and recommendation of the Independent Board Committee on the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps); and
3. a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders containing its opinion and recommendation on the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

THE LOAN FRAMEWORK AGREEMENT

Background

On 30 September 2024 (after trading hours), S-Enjoy Service and Seazen Holdings entered into the Loan Framework Agreement in relation to the provision of the Loan in the aggregate principal amount of RMB1,000.0 million during the period commencing from the effective date of the Loan Framework Agreement and ending on 29 September 2027.

Particulars of the Loan Framework Agreement

The principal terms of the Loan Framework Agreement are summarised as follows:

Date: 30 September 2024

Parties: (i) S-Enjoy Service; and
(ii) Seazen Holdings

Principal amount: S-Enjoy Group (collectively referred to as the “**Lender**”) shall provide the Loan in the aggregate principal amount of RMB1,000.0 million to Seazen Holdings Group (collectively referred to as the “**Borrower**”).

Subject to the terms of the Loan Framework Agreement, and upon fulfilment of the underlying conditions for drawdown thereunder, the Borrower may drawdown the Loan in several tranches within the term of the Loan Framework Agreement. The Lender and the Borrower shall separately enter into specific agreements and security documents for the relevant drawdowns. The Loan is a one-time line of credit, and any repaid principal amount of the Loan under the relevant specific agreements to be entered into pursuant to the Loan Framework Agreement shall not refresh the total amount available for drawdown within the term of the Loan Framework Agreement.

LETTER FROM THE BOARD

Purpose of
the Loan:

Unless otherwise consented by the Lender in writing in prior, the Loan shall be used for the construction of the projects of the Borrower and replenishment of its working capital.

Based on current situation and to the best of the management's estimation, the Company has earmarked 58% of the Loan for designated purposes, i.e. to finance the construction of five designated projects of Seazen Holdings (the "**Designated Projects**"), whereas the remainder, being 42% of the Loan, will be reserved and used for financing the planned projects of Seazen Holdings (the "**Planned Projects**") if the capital needs arise.

The Designated Projects comprise five projects of Seazen Holdings, the details of which are summarised as follows (*Note*):

Province	Project Name	Estimated total gross floor area (sq.m.)	Estimated completion date
Jiangsu Province	Jiangsu Province Suqian Project (江蘇省宿遷項目)	225,024	1 March 2025
Jiangsu Province	Jiangsu Province Xuzhou Project (江蘇省徐州項目)	160,574	1 March 2025
Hubei Province	Hubei Province Xiantao Project (湖北省仙桃項目)	109,211	1 March 2025
Shanxi Province	Shanxi Province Datong Project (山西省大同項目)	45,028	1 February 2025
Qinghai Province	Qinghai Province Xining Project (青海省西寧項目)	25,045	1 March 2025

Note: The list of Designated Projects was formulated based on discussion between Seazen Holdings and S-Enjoy Service based on the current status of the projects and to the best of the management's estimation. Subject to the actual situation in the future and the construction progress of the projects of Seazen Holdings, the management may update the list of Designated Projects and adjust the amount of the Loan allocated to finance their construction.

LETTER FROM THE BOARD

The Planned Projects refer to any other new and existing projects of Seazen Holdings from time to time, which Seazen Holdings may allocate from the 42% of the Loan to finance their constructions if the capital needs arise. For instance, as disclosed in the 2024 interim report of Seazen Holdings, among the Planned Projects, 22 of them are new projects scheduled for commencement in the second half of 2024, with a construction area of approximately 1.3 million sq.m., among which approximately 531,200 sq.m. are residential projects and approximately 806,200 sq.m. are commercial complex projects. Seazen Holdings also targeted to complete the construction of 115 projects during the second half of 2024, thereby achieving a total completed area of approximately 7.0 million sq.m., among which approximately 3.5 million sq.m. are residential projects and approximately 3.5 million sq.m. are commercial complex projects.

Term: The term of the Loan Framework Agreement shall commence from the effective date of the Loan Framework Agreement and end on 29 September 2027 (the “**Final Maturity Date**”). The term of each drawdown of the Loan shall commence from the date of the relevant remittance and be determined in the specific agreement to be entered into between the Lender and the Borrower, provided that all outstanding principal amount of the Loan and the interest accrued thereon shall be repaid in full on or before the Final Maturity Date.

Interest rate: The interest rate for the Loan shall be the higher of: (i) the Loan Prime Rate (the “**LPR**”) for loans of more than one year (inclusive) and less than five years (if any) published by the People’s Bank of China (“**PBOC**”) applicable on the date of drawdown; and (ii) the fixed lending rate of 6.05% per annum.

The interest shall be accrued daily based on a 360-day year commencing from the relevant drawdown date, and shall be paid on an annual basis.

The interest rate was agreed upon between S-Enjoy Service and Seazen Holdings after arm’s length negotiation, after taken into consideration, among others, the LPR published by PBOC from time to time and the average finance costs of Seazen Holdings recorded by the end of June 2024.

LETTER FROM THE BOARD

- Repayment: Subject to the terms of the Loan Framework Agreement, the Borrower shall repay the outstanding drawdown amount under the relevant specific agreements together with the unpaid interest accrued thereon in full on or before the maturity dates as provided in the specific agreements, and in any event, the Borrower shall repay all outstanding drawdown amount together with unpaid interest accrued thereon under the Loan Framework Agreement on or before the Final Maturity Date.
- Conditions precedent for drawdown: Each drawdown shall be subject to the fulfilment of the following conditions:
- (1) The Borrower having provided an account for the drawdown and repayment of the Loan in accordance with the requirements of the Lender;
 - (2) The Borrower and the Lender having validly executed the relevant specific agreements in relation to the Loan;
 - (3) The Borrower and the Lender having validly executed relevant agreements in relation to the credit enhancement measures (including but not limited to mortgages and pledges) approved by the Lender (including but not limited to mortgage/pledge agreements);
 - (4) The Borrower and the Lender (and their direct or indirect controlling shareholders, if applicable) having obtained all applicable approvals and complied with disclosure procedures as required by applicable stock exchange listing rules (if any) with respect to the execution of the specific agreements and documents of the relevant credit enhancement measures;
 - (5) The Borrower and the Lender (and their direct or indirect controlling shareholders, if applicable) having complied with the applicable requirements of the Listing Rules;
 - (6) There having been no event of default by the Borrower or any circumstances as set out under the Loan Framework Agreement that would adversely affect the Lender's claim on the Loan or the credit enhancement measures; and

LETTER FROM THE BOARD

- (7) There having no laws, regulations, rules, or competent authorities prohibiting or restricting the Lender from providing the Loan under the Loan Framework Agreement.

The Lender shall have the right to set additional conditions precedent for drawdown in the specific agreements to be entered into with the Borrower.

Credit
enhancement
measures:

The Borrower shall provide its assets as approved by the Lender (the “**Charged Assets**”) as credit enhancement measures of the Loan. The Borrower is entitled to, subject to prior consent from the Lender, sell or entrust the Lender (including a third party designated by the Lender or an associate of the Lender) to sell the Charged Assets for repayment purpose, or for the Borrower’s self-use purpose on the condition that assets of equivalent value for substitution having been charged to the Lender by the Borrower.

In any event, the total value of the Charged Assets from time to time shall be no less than the unpaid principal amount of the Loan divided by the loan-to-value ratio of 60%. Subject to the actual circumstances regarding the processing of the mortgage or pledge of the Charged Assets, the Borrower and the Lender may proceed to replace the Charged Assets or provide additional Charged Assets for the purpose of maintaining the loan-to-value ratio of no higher than 60%.

In the event that the Borrower defaults in repaying any overdue amount under the Loan Framework Agreement or the specific agreements, the Lender shall be entitled to exercise its rights to realise the Charged Assets and the proceeds from such realization shall be applied to repay the overdue amount.

The loan-to-value ratio of no higher than 60% was determined after arm’s length negotiation between S-Enjoy Service and Seazen Holdings with reference to the loan-to-value ratio of the operational property loan obtained by Seazen Holdings Group for the nine months ended 30 September 2024 and the loan-to-value ratio of previous financing activities conducted by Seazen Holdings Group such as the medium term notes issued by Seazen Holdings Group.

LETTER FROM THE BOARD

Others: The Loan Framework Agreement shall become effective upon the satisfaction of the following conditions:

- (1) the legal representative or authorised agent of each party to the Loan Framework Agreement having executed the Loan Framework Agreement and affixed the seal thereto;
- (2) S-Enjoy Service having duly convened a general meeting and obtained its approval for the Loan Framework Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (3) the Company having duly convened the EGM and obtained its approval for the Loan Framework Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

Proposed Annual Caps and Basis for Determination

The proposed annual caps in respect of the Loan will be the maximum aggregate principal amount available for drawdown under the Loan Framework Agreement which, for the entire term of the Loan Framework Agreement (i.e. over the two years ended 31 December 2026, and the period from 30 September 2024 to 31 December 2024 and the period from 1 January 2027 to 29 September 2027) shall not exceed RMB1,000.0 million. For clarity, pursuant to the Loan Framework Agreement, the Loan is a one-time line of credit, and any repaid principal amount of the Loan under the relevant specific agreement to be entered into pursuant to the Loan Framework Agreement shall not refresh the total amount available for drawdown within the term of the Loan Framework Agreement.

The proposed annual caps were determined with reference to (i) the total principal amount of the Loan available for drawdown under the Loan Framework Agreement; (ii) S-Enjoy Group's internal financial resources currently available; (iii) the potential financial needs of Seazen Holdings Group; and (iv) the benefits of entering into the Loan Framework Agreement as set out below in the paragraph headed "Reasons for and Benefits of Entering into the Loan Framework Agreement".

On 30 September 2024, S-Enjoy Service and Seazen Holdings entered into the Loan Agreement, pursuant to which it is agreed that S-Enjoy Group shall extend to Seazen Holdings Group the New Loan in the principal amount of RMB120.0 million, which is secured by the Property. With reference to a valuation report issued by an independent valuer, the value of the Property is approximately RMB586.5 million. Accordingly, the loan to value ratio of the Property is approximately 20.5%, which is within the limit of the loan to value ratio set out under the Loan Framework Agreement. For further details, please refer to the paragraph headed "2. THE LOAN AGREEMENT" in the announcement of the Company dated 30 September 2024. Save as disclosed above, there was no historical transaction in relation to the provision of any loan between S-Enjoy Group and Seazen Holdings Group which was secured by assets of Seazen Holdings Group.

LETTER FROM THE BOARD

Reasons for and Benefits of Entering into the Loan Framework Agreement

The Group primarily engages in the property development and property investment in the PRC, whereas S-Enjoy Group 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 and public area maintenance. S-Enjoy Group has been providing property management services to the Group since 1996, and had formed a long and stable cooperative relationship with the Group.

The property development industry is a capital intensive industry. Under the current overall weak industry environment, sufficient capital is conducive to meeting the actual needs for the Group's business development, ensuring the realization of the Group's long term business strategies.

The terms of the Loan Framework Agreement were determined between Seazen Holdings and S-Enjoy Service after arm's length negotiation, including the interest rate of the Loan and the loan-to-value ratio with respect to the value of the Charged Assets, which are within the range of the historical financing obtained by Seazen Holdings Group from third party institutions.

When assessing the interest rate of the Loan under the Loan Framework Agreement, the Company had made reference to the subsisting commercial properties loans of Seazen Holdings (being loans secured by the commercial properties of Seazen Holdings) as at 30 June 2024. Taking into account that (i) the weighted average borrowing costs of the aforesaid subsisting commercial properties loans of Seazen Holdings Group as at 30 June 2024 was not lower than the interest rate of 6.05% of the Loan; (ii) the aggregate amount of the Loan is of substantial size relative to S-Enjoy Service (constituting a major transaction of S-Enjoy Service); (iii) once the Loan Framework Agreement has become effective, it could support the financial capabilities of Seazen Holdings and enable Seazen Holdings to obtain readily available capital to address its immediate funding needs from time to time (to fund the construction of its projects or as general working capital), especially under the current uncertain and volatile property market in the PRC; (iv) other means of financing (e.g. issuance of medium-term notes) may have a longer preparation and application time, and may not be able to satisfy immediate or unexpected funding needs of Seazen Holdings Group from time to time; and (v) notwithstanding the foregoing, Seazen Holdings has no obligation to drawdown the entire amount of the Loan, and is free to obtain loan financing from other banks or explore other financing means if the market conditions change in the future and the interest rate set under the Loan Framework Agreement no longer commensurate with the interest rate obtainable by Seazen Holdings from the market, the Directors therefore consider that the interest rate of 6.05% under the Loan Framework Agreement is fair and reasonable, and the transactions contemplated under the Loan Framework Agreement is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

In light of the above, the Directors (including the independent non-executive Directors, whose opinion on the Loan Framework Agreement and the transactions contemplated thereunder are set out in the section headed “Letter from Independent Board Committee” in this circular after considering the advice from Gram Capital, but excluding the Directors who had abstained from voting on the Board resolution (as set out below) to approve the Loan Framework Agreement) are of the view that the terms of the Loan Framework Agreement and the proposed annual caps are fair and reasonable, and the Loan and transactions contemplated thereunder are conducted in the ordinary and usual course of business, entered into on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

As at the date of this circular, (i) Mr. Wang Xiaosong, the Chairman of the Company, a non-executive Director and the son of Mr. Wang; and (ii) Mr. Lv Xiaoping and Mr. Lu Zhongming, being the executive Director and the non-executive director of S-Enjoy Service, were considered as having material interests in the transactions under the Loan Framework Agreement and had abstained from voting on the Board resolution approving the relevant agreements and the transactions contemplated thereunder (including the proposed annual caps). Save as mentioned above, none of the other Directors has a material interest in the transactions contemplated under the Loan Framework Agreement, and therefore, no Director had abstained from voting on the approval of the relevant resolution.

Information of the Parties Involved

Seazen Holdings is a company established in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange (stock code: 601155), and is a subsidiary of the Company. Seazen Holdings primarily engages in property development and property investment in the PRC.

S-Enjoy Service is a company listed on the Stock Exchange (stock code: 1755) and 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 and public area maintenances. Mr. Wang is the controlling shareholder of S-Enjoy Service.

LETTER FROM THE BOARD

INTERNAL CONTROL MEASURES

In connection with the relevant drawdown of the Loan and in order to ensure the terms of the relevant specific agreements and security documents are on normal commercial terms and fair and reasonable to the Company and Shareholders and are no less favourable to the Group than terms offered available to or from independent third parties, the Company has formulated the following internal control policies and adopted the following internal control measures:

- (i) with regard to any amount drawdown which is secured by assets of Seazen Holdings Group, the Company expects that the corresponding total value of the Charged Assets shall maintain at similar level as the unpaid principal amount of the Loan divided by the loan-to-value ratio of 60%, and the Company will monitor any repaid Loan principal and apply to the Lender to release the Charged Assets thereto on a timely basis;
- (ii) the finance department of the Company will closely monitor the outstanding Loan balances to be repaid and report the latest status of the Loan granted to the finance department of the Company on a monthly basis to ensure that the outstanding loan balances will not exceed the proposed annual caps. In the event the aggregated principal amount of the Loan is expected to exceed the proposed annual caps, the responsible staff would escalate the issue to the Board forthwith, and the Company would timely re-comply with the requirements under Chapter 14A of the Listing Rules;
- (iii) the finance department of the Company will, before the signing of each specific agreement under the Loan Framework Agreement: (a) check the LPR published by PBOC; and (b) compare the interest rate of the Loan with at least two major commercial banks or financial institutions to confirm the interest rate charged is in line with or better than the market rates and the specific agreements are entered into on normal commercial terms;
- (iv) the Company's external auditor will conduct an annual review of the transactions entered into under the Loan Framework Agreement to ensure that the transaction amount is within the proposed annual caps and the transactions is in accordance with the terms set out in the Loan Framework Agreement; and
- (v) the independent non-executive Directors will conduct an annual review of the status of the transactions contemplated under the Loan Framework Agreement to ensure that the Company has complied with its internal approval process and the relevant requirements under the Listing Rules.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Wang, the controlling shareholder of the Company, indirectly owns approximately 68.86% of the issued shares of S-Enjoy Service. Accordingly, S-Enjoy Service is an associate of Mr. Wang and a connected person of the Company and the entering into of the Loan Framework Agreement thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the Loan under the Loan Framework Agreement is contemplated to be secured by the assets of Seazen Holdings Group, the transactions contemplated under the Loan Framework Agreement, although represented financial assistance provided by connected persons of the Company for the benefit of the Group, would not be exempt from the reporting, announcement and Independent Shareholders' approval requirements for connected transactions under Rule 14A.90 of the Listing Rules, and thus compliance by the Company with the Listing Rules in relation to the Loan Framework Agreement shall be necessary.

As the highest percentage ratio (as defined in the Listing Rules) in respect of the proposed annual caps for the transactions contemplated under the Loan Framework Agreement exceeds 5%, the provision of the Loan under the Loan Framework Agreement and the proposed annual caps are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As (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 director of S-Enjoy Service and the executive Director, are considered as having a material interest in the transaction in relation to entering into the Loan Framework Agreement, they have abstained from voting on the Board resolution approving the Loan Framework Agreement and the proposed annual caps for the transactions contemplated under the Loan Framework Agreement. Save as mentioned above, none of the other Directors has a material interest in the transactions contemplated under the Loan Framework Agreement, and therefore, no Director has abstained from voting on approval of the relevant resolution.

LETTER FROM THE BOARD

EGM AND PROXY ARRANGEMENT

An EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Mr. Wang and Mr. Wang's associated companies, which directly hold 4,575,615,179 ordinary Shares, representing an aggregate of approximately 64.76% of the issued share capital of the Company as at the Latest Practicable Date, will be required to abstain from voting at the EGM on the resolution in relation to the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save as disclosed above, there is no other Shareholder who has any material interest in the transactions contemplated under the Loan Framework Agreement. As such, no other Shareholder is required to abstain from voting at the EGM on the resolution in relation to the Loan Framework Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been formed in accordance with the Listing Rules to advise the Independent Shareholders on the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps). In this connection, Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Whether or not you are able to attend the EGM, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F, Central Tower 28 Queen's Road Central Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. before 10:30 a.m. on Saturday, 7 December 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the form of proxy shall be deemed to be revoked. Such form of proxy is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.seazengroup.com.cn).

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 6 December 2024 to Monday, 9 December 2024 (both dates inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong for registration not later than 4:30 p.m. on Thursday, 5 December 2024.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

According to Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the ordinary resolution put to the vote at the EGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATIONS

The Directors (including the independent non-executive Directors whose views are set out in the section headed “Letter from Independent Board Committee” in this circular, after considering the advice from Gram Capital) are of the view that the terms of continuing connected transactions in relation to entering into Loan Framework Agreement and the proposed annual caps are fair and reasonable, and the Loan and transactions contemplated under the Loan Framework Agreement are conducted in the ordinary and usual course of business, entered into on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 17 to 18 of this circular containing the recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps). The advice from Gram Capital to the Independent Board Committee and the Independent Shareholders, on the fairness and reasonableness of the terms of the continuing Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) is set out on pages 19 to 28 of this circular.

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

Yours faithfully,
By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

seazen
新城发展
SEAZEN GROUP LIMITED
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

22 November 2024

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO
ENTERING INTO LOAN FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 22 November 2024 (the “**Circular**”), of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise you as to whether in our opinion, the terms of the Loan Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable so far as the Independent Shareholders are concerned, the relevant continuing connected transactions and the proposed annual caps for the transactions contemplated under the Loan Framework Agreement are on normal commercial terms and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee on the fairness and reasonableness of the terms of the continuing connected transactions contemplated under the Loan Framework Agreement (including the proposed annual caps). Details of the advice from Gram Capital, together with the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 19 to 28 of the Circular.

We wish to draw your attention to the letter from the Board set out on pages 4 to 16 of the Circular. Having considered the information contained in the letter from the Board, the interests of the Independent Shareholders and the advice and recommendation given by Gram Capital, we consider that the terms of continuing connected transactions contemplated under the Loan Framework Agreement (including the proposed annual caps) are fair and reasonable, and the Loan and transactions contemplated thereunder are conducted in the ordinary and usual course of business, entered into on normal commercial terms, and in the interests of the Company and its Shareholders as a whole.

LETTER FROM INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution regarding the Loan Framework Agreement and the transactions contemplated and the proposed annual caps for the transactions contemplated under the Loan Framework Agreement to be proposed at the EGM.

Yours faithfully,

Mr. Zhu Zengjin
*Independent non-executive
Director*

Mr. Zhong Wei
*Independent non-executive
Director*

Ms. Wu Ke
*Independent non-executive
Director*

Independent Board Committee of Seazen Group Limited

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

22 November 2024

*To: The Independent Board Committee and the Independent Shareholders
of Seazen Group Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Loan Framework Agreement (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 22 November 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 30 September 2024 (after trading hours) (the “**Agreement Date**”), Seazen Holdings (a subsidiary of the Company) and S-Enjoy Service entered into the Loan Framework Agreement in relation to the provision of the Loan in the aggregate principal amount of RMB1,000.0 million during the period commencing from the effective date of the Loan Framework Agreement and ending on 29 September 2027.

With reference to the Board Letter, the Transaction constitutes continuing connected transaction of the Company and is subject to reporting, announcement, annual review and Independent Shareholders’ approval requirements pursuant to Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transaction (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is in the interests of the Company and the Shareholders as a whole and is conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the

LETTER FROM GRAM CAPITAL

Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

We were not aware of any relationships or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser. Having considered the above and that none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, S-Enjoy Service or their respective subsidiaries or associates, nor have we

LETTER FROM GRAM CAPITAL

considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

Information on the Group and Seazen Holdings Group

The Company was incorporated in the Cayman Islands on 23 April 2010 as an exempted company with limited liability. The principal activities of the Group are property development and property investment in the PRC.

With reference to the Board Letter, Seazen Holdings is a company established in the PRC with limited liability whose shares are listed on the Shanghai Stock Exchange (stock code: 601155), and is a subsidiary of the Company. Seazen Holdings primarily engages in property development and property investment in the PRC.

LETTER FROM GRAM CAPITAL

Set out below are the consolidated financial information of Seazen Holdings Group for the two years ended 31 December 2023 and the six months ended 30 June 2024 (with comparative figures), as extracted from Seazen Holdings' annual report for the year ended 31 December 2023 ("**Seazen Holdings' 2023 Annual Report**") and interim report for the six months ended 30 June 2024 ("**Seazen Holdings' 2024 Interim Report**"):

	For the six months ended 30 June 2024 RMB'000 (unaudited)	For the six months ended 30 June 2023 RMB'000 (unaudited)	Year-on-year change %	For the year ended 31 December 2023 RMB'000 (audited)	For the year ended 31 December 2022 RMB'000 (audited)	Year-on-year change %
Operating income	33,904,407	41,768,384	(18.83)	119,174,278	115,456,683	3.22
– Real estate development and sale	27,549,953	36,342,486	(24.19)	107,336,376	104,882,656	2.34
– Property leasing and management	5,803,811	4,865,119	19.29	10,631,263	9,224,045	15.26
– Others	550,643	560,779	(1.81)	1,206,639	1,349,982	(10.62)
Profit attributable to owners of Seazen Holdings	1,318,104	2,278,827	(42.16)	737,103	1,393,834	(47.12)

As illustrated above, Seazen Holdings Group's operating income increased from approximately RMB115.5 billion for the year ended 31 December 2022 ("**FY2022**") to approximately RMB119.2 billion for the year ended 31 December 2023 ("**FY2023**"), representing an increase of approximately 3.22%, primarily attributed by the increase in operating income from real estate development and sale.

Notwithstanding the aforesaid increase in Seazen Holdings Group's operating income, Seazen Holdings Group's profit for FY2023 attributable to owners of Seazen Holdings decreased by approximately 47.12% as compared to that for FY2022. With reference to Seazen Holdings' 2023 Annual Report, such decrease was mainly due to (i) decrease in gross profit margin of Seazen Holdings Group's real estate projects as a result of changes in market environment and structural changes in the real estate projects; and (ii) decrease in deferred tax assets recognised for loss-making companies of the Seazen Holdings Group, resulting in increase in income tax expenses.

Seazen Holdings Group's operating income for the six months ended 30 June 2024 ("**1H2024**") was approximately RMB33.9 billion, representing a decrease of approximately 18.83% as compared to that for the corresponding period in 2023, primarily due to the decrease in operating income from real estate development and sale. With reference to Seazen Holdings' 2024 Interim Report, as a result of the aforesaid, Seazen Holdings Group's profit for 1H2024 attributable to owners of Seazen Holdings decreased by approximately 42.16% as compared to that for the corresponding period in 2023.

With reference to Seazen Holdings' 2024 Interim Report, as at 30 June 2024, Seazen Holdings Group's monetary funds, total assets and net assets were approximately RMB15.8 billion, RMB355.6 billion and RMB85.2 billion, respectively.

LETTER FROM GRAM CAPITAL

Information on S-Enjoy Service

With reference to the Board Letter, S-Enjoy Service is a company listed on the Stock Exchange (stock code: 1755) and 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 and public area maintenances. Mr. Wang is the controlling shareholder of the Company and S-Enjoy Service. Therefore, S-Enjoy Service is a connected person of the Company.

Reasons for and benefits of the Transaction

With reference to the Board Letter, property development industry is a capital-intensive industry. Under the current overall weak industry environment, sufficient capital is conducive to meeting the actual needs for the Group's business development, ensuring realization of the Groups' long term business strategies. As confirmed by the Directors, Seazen Holdings intends to apply the Loan for meeting the actual needs for Seazen Holdings Group's business development, ensuring the realisation of long-term business strategies.

We noted from Seazen Holdings' 2024 Interim Report that, as at 30 June 2024:

- (i) the total construction area of Seazen Holdings Group's real estate projects was 133,272,300 square meters in aggregate, with floor area of 20,090,374 square meters pending for development and floor area of 1,337,445 square meters estimated to commence development work in the second half of 2024; and
- (ii) Seazen Holdings Group's commitments for real estate project development (in respect of land transfer fees) were approximately RMB1,328.5 million in aggregate,

which demonstrated the capital requirement of Seazen Holdings Group in respect of real estate project development.

In light of the above, we consider that the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

Principal terms of the Transaction

Summarised below are the principal terms of the Transaction, details of which are set out under the section headed "THE LOAN FRAMEWORK AGREEMENT" of the Board Letter.

Date

30 September 2024

LETTER FROM GRAM CAPITAL

Parties

- (i) S-Enjoy Service; and
- (ii) Seazen Holdings

Principal amount and purpose

S-Enjoy Group (i.e. the Lender) shall provide the Loan in the aggregate principal amount of RMB1,000.0 million to Seazen Holdings Group (i.e. the Borrower).

Subject to the terms of the Loan Framework Agreement, and upon fulfilment of the underlying conditions for drawdown thereunder, the Borrower may drawdown the Loan in several tranches within the term of the Loan Framework Agreement. The Lender and the Borrower shall separately enter into specific agreements and security documents for the relevant drawdowns. The Loan is a one-time line of credit, and any repaid principal amount of the Loan under the relevant specific agreements to be entered into pursuant to the Loan Framework Agreement shall not refresh the total amount available for drawdown within the term of the Loan Framework Agreement.

Unless otherwise consented by the Lender in writing in prior, the Loan shall be used for the construction of the projects of the Borrower and replenishment of its working capital.

Term

The term of the Loan Framework Agreement shall commence from the effective date of the Loan Framework Agreement and end on 29 September 2027 (i.e. the Final Maturity Date). The term of each drawdown of the Loan shall commence from the date of the relevant remittance and be determined in the specific agreement to be entered into between the Lender and the Borrower, provided that all outstanding principal amount of the Loan and the interest accrued thereon shall be repaid in full on or before the Final Maturity Date.

Interest rate

The interest rate for the Loan shall be the higher of: (i) the LPR for loans of more than one year (inclusive) and less than five years (if any) published by the PBOC applicable on the date of drawdown; and (ii) the fixed lending rate of 6.05% per annum (the “**Fixed Rate**”). The interest shall be accrued daily based on a 360-day year commencing from the relevant drawdown date, and shall be paid on an annual basis.

We searched on the website of PBOC and noted that the LPR as at 20 September 2024 (being the latest LPR published by PBOC prior to the Agreement Date) were (i) 3.35% for one-year LPR; and (ii) 3.85% for over-five-year LPR. We also noted that the one-year LPR and the over-five-year LPR were never higher than 6.05% for the five years prior to the Agreement Date.

LETTER FROM GRAM CAPITAL

We also noted from Seazen Holdings' announcement dated 1 October 2024 in relation to the Transaction that the Fixed Rate of 6.05% per annum represents Seazen Holdings Group's weighted average borrowing costs as at 30 June 2024. For our due diligence purpose, we obtained the underlying calculation which illustrated the same.

To further assess the fairness and reasonableness of the interest rate of the Loan, we obtained information of Seazen Holdings Group's existing commercial properties loans as at 30 June 2024. We noted that the weighted average borrowing costs of Seazen Holdings Group's existing commercial properties loans (being loans secured by commercial properties of Seazen Holdings Group) as at 30 June 2024 was not lower than the Fixed Rate of 6.05% per annum.

Based on the aforesaid, we consider the interest rate of the Loan offered by S-Enjoy Service to be fair and reasonable.

Credit enhancement measures

The Borrower shall provide the Charged Assets as credit enhancement measures of the Loan. The Borrower is entitled to, subject to prior consent of the Lender, sell or entrust the Lender (including a third party designated by the Lender or an associate of the Lender) to sell the Charged Assets for repayment purpose, or for its self-use purpose on the condition that assets of equivalent value for substitution having been charged to the Lender.

In any event, the total value of the Charged Assets from time to time shall be no less than the unpaid principal amount of the Loan divided by the loan-to-value ("LTV") ratio of 60%. Subject to the actual circumstances regarding the processing of the mortgage or pledge of the Charged Assets, the Borrower and the Lender may proceed to replace the Charged Assets or provide additional Charged Assets for the purpose of maintaining the LTV ratio of no higher than 60%. The LTV ratio of 60% was determined with reference to the LTV ratio of the operational property loan obtained by Seazen Holdings Group and the medium term notes issued by Seazen Holdings Group (which were guaranteed by China Bond Insurance Corporation (中債信用增進投資股份有限公司)).

We understood from the Directors that based on their preliminary assessment, the Charged Assets are intended to be commercial properties of the Group located in the PRC.

For our due diligence purpose, we obtained a calculation regarding the LTV ratio of Seazen Holdings Group's new pledged borrowings during the period from 1 January 2024 to 30 September 2024. We noted that based on the principal amount of the Seazen Holdings Group's new pledged borrowings raised during the period from 1 January 2024 to 30 September 2024, and the appraisal value of the underlying charged assets as at 30 September 2024, the LTV ratio of the Seazen Holdings Group's new pledged borrowings as at 30 September 2024 was approximately 53%, being not more favourable to the Group than the LTV ratio of 60%.

LETTER FROM GRAM CAPITAL

On 24 January 2024, the Notice on Effective Management of Commercial Property Loans* (《關於做好經營性物業貸款管理的通知》) was published by the General Office of the People's Bank of China and the General Office of the State Financial Supervision and Administration Bureau dated 24 January 2024 (the "Notice"). The Notice is designated to establish guidelines for commercial property loans to foster stability in the real estate markets. It mandates that commercial banks must adhere strictly to legal regulations when providing commercial property loans and emphasizing prudent lending practice. Furthermore, it is stated in the Notice that in principle, the commercial property loans shall not exceed the LTV ratio of 70% of the appraisal value of the underlying property.

Given that the LTV ratio of the Loan is within the LTV ratio limit as set out in the Notice and is no less favourable than that under the latest medium term note of Seazen Holdings, we do not doubt the reasonableness of the LTV ratio of the Loan.

Internal control measures

With reference to the Board Letter, the Company has formulated certain internal control policies and adopted certain internal control measures to ensure the terms of the relevant specific agreements and security documents are on normal commercial terms and fair and reasonable to the Company and Shareholders as a whole, and are no less favourable to the Group than terms offered available to or from independent third parties. Details of the internal control policies and measures are set out under the section headed "INTERNAL CONTROL MEASURES" of the Board Letter.

Having considered that (i) the Company expects that the corresponding total value of the Charged Assets shall maintain at similar level as the unpaid principal amount of the Loan divided by the LTV ratio of 60%, and the Company will monitor any repaid Loan principal and apply to the Lender to release the Charged Assets on a timely basis; and (ii) the finance department of the Company will, before the signing of each specific agreement under the Loan Framework Agreement, check the LPR published by PBOC and compare the interest rate of the Loan with at least two major commercial banks or financial institutions to confirm the interest rate charged is in line with or better than the market rates, we are of the view that the effective implementation of the internal control measures will ensure the fairness of the interest rate of the Loan and safeguard the Charged Assets.

Proposed annual caps

The proposed annual caps in respect of the Loan will be the maximum aggregate principal amount available for drawdown under the Loan Framework Agreement which, for the entire term of the Loan Framework Agreement (i.e. over the two years ended 31 December 2026, and the period from 30 September 2024 to 31 December 2024 and the period from 1 January 2027 to 29 September 2027) shall not exceed RMB1,000.0 million.

As noted from Seazen Holdings' 2024 Interim Report, as at 30 June 2024, Seazen Holdings Group's total debt (including bank and other borrowings, notes and bonds payables) was approximately RMB53,837.6 million.

LETTER FROM GRAM CAPITAL

Given that the Loan is a one-time line of credit and any repaid principal amount of the Loan shall not refresh the total amount available for drawdown within the term of the Loan Framework Agreement, we consider the proposed annual caps, which represents the maximum aggregate principal amount available under the Loan Framework Agreement, to be fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 29 September 2027, and they do not represent forecasts of loan amounts to be drawdown from the Loan Framework Agreement. Consequently, we express no opinion as to how closely the actual transaction amounts to be incurred from the Loan Framework Agreement will correspond with the proposed annual caps.

In light of the above, we are of the view that the terms of the Loan Framework Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Transaction must be restricted by the proposed annual caps; (ii) the terms of the Loan Framework Agreement must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Loan Framework Agreement must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and (iv) have exceeded the proposed annual caps.

In the event that the total amounts of the transactions are anticipated to exceed the proposed annual caps, or that there is any proposed material amendment to the terms of the Loan Framework Agreement, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.

* *for identification purpose 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of SFO); (b) were recorded in the register required to be kept under section 352 of the SFO; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), to be notified to the Company and the Stock Exchange, were as follows:

Interest in Shares of the Company

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of shareholding of the Company's issued share capital
Mr. Lv Xiaoping	Beneficial owner	14,500,000 (L)	0.21%
Mr. Wang Xiaosong	Beneficial owner	6,000,000 (L)	0.08%

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of shareholding of the Company's issued share capital
Mr. Lu Zhongming	Beneficial owner	7,000,000 (L)	0.10%
Mr. Zhang Shengman	Beneficial owner	1,200,000 (L)	0.02%

Note: The letter "L" denotes the long position in Shares.

Interest in associated corporations

Name of Director	Name of Associated Corporation	Nature of interest	Number of Shares or underlying Shares held under equity derivatives	Approximate percentage of shareholding of the Company's issued share capital
Mr. Wang Xiaosong	Seazen Holdings	Beneficial owner	500,000 (L)	0.02%

Note: The letter "L" denotes the long position in Shares.

Save as disclosed above, as at the Latest Practicable Date, neither any of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

(ii) Substantial Shareholders' and other persons' interests and short positions in the shares and underlying shares of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than Directors or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO and are recorded in the register kept by the Company under section 336 of the SFO:

Name of Shareholders	Identity and nature of interest	Number of shares held	Approximate percentage of shareholding
Mr. Wang ⁽²⁾⁽³⁾⁽⁴⁾	Founder of a discretionary trust	4,474,549,274 (L)	63.33%
	Interest of spouse ⁽⁵⁾	101,065,905 (L)	1.43%
Chen Jing ⁽³⁾	Interest in a controlled corporation	101,065,905 (L)	1.43%
	Interest of spouse	4,474,549,274 (L)	63.33%
Chen Ting Sen (PTC) Limited ⁽⁴⁾	Trustee	4,474,549,274 (L)	63.33%
Infinity Fortune Development Limited ⁽⁴⁾	Interest in a controlled corporation	4,474,549,274 (L)	63.33%
First Priority Group Limited ⁽⁴⁾	Interest in a controlled corporation	4,474,549,274 (L)	63.33%
Wealth Zone Hong Kong Investments Limited ⁽⁵⁾	Beneficial owner	4,474,549,274 (L)	63.33%

Notes:

1. The letter "L" denotes the long position in the Shares.
2. Mr. Wang was the founder of Hua Sheng Trust, through which, Chen Ting Sen (PTC) Limited held long position in 4,474,549,274 Shares through its controlled corporations in its capacity as the trustee.
3. Ms. Chen Jing, the spouse of Mr. Wang, held 100% of Set Hero Developments Limited which in turn held 101,065,905 Shares. Ms. Chen Jing was deemed under the SFO to be interested in the shares of Mr. Wang and vice versa.
4. Chen Ting Sen (PTC) Limited, as the trustee of Hua Sheng Trust, which was established by Mr. Wang as the settlor in favor of his family members, held 100% of the issued share capital of Infinity Fortune Development Limited, which in turn held 100% of the issued share capital of First Priority Group Limited.

5. Wealth Zone Hong Kong Investments Limited was 100% held by First Priority Group Limited.

Save as disclosed above, as at the Latest Practicable Date, no person (other than the Directors or chief executives of the Company) had the interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and are recorded in the register kept by the Company under section 336 of the SFO.

3. COMPETING INTERESTS

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

4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (i) none of the Directors had any interest in any assets which have been, since 31 December 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) Mr. Wang Xiaosong (the Chairman of the Company, a non-executive Director and the son of Mr. Wang), Mr. Lv Xiaoping and Mr. Lu Zhongming (the executive Director and the non-executive director of S-Enjoy Service) were considered to have a material interest in the transactions under the Loan Framework Agreement and the Loan Agreement. Save as aforesaid, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any member of the Group.

7. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there has been no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up.

8. QUALIFICATION AND CONSENT OF EXPERT

Name	Qualification
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, to the best knowledge of the Company, Gram Capital has no shareholding in any member of the Group nor has any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group. Gram Capital is a third party independent of the Company and its connected persons.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter in the form and context in which it is included.

The letter from Gram Capital is set out on pages 19 to 28 of this circular and is given as at the date of this circular for incorporation herein.

Gram Capital has not had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2023, the date to which the latest published audited accounts of the Group were made up.

9. CORPORATE INFORMATION OF THE COMPANY

Registered office	Grand Pavilion Hibiscus Way 802 West Bay Road P.O. Box 31119 KY1-1205, Cayman Islands
Headquarters in the PRC	15/F, Seazen Holdings Tower A No. 6, Lane 388, Zhongjiang Road Putuo District, Shanghai PRC
Principal place of business in Hong Kong	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay, Hong Kong
Cayman Islands share registrar and transfer office	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
Hong Kong branch share registrar	Link Market Services (Hong Kong) Pty Limited Suite 1601, 16/F, Central Tower 28 Queen's Road Central Hong Kong
Joint company secretaries	Ms. Zhang Wanling, Ms. Ng Sau Mei

10. MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.seazengroup.com.cn) for a period of not less than 14 days from the date of this circular:

- (a) the Loan Framework Agreement; and
- (b) the written consent referred to in the section headed "Qualification and Consent of Expert" in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING

seazen

新城发展

SEAZEN GROUP LIMITED

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM” or “Meeting”) of Seazen Group Limited (the “Company”, together with its subsidiaries, the “Group”) will be held at Suites 1006-1008, 10/F, ICBC Tower, 3 Garden Road, Central, Hong Kong on Monday, 9 December 2024 at 10:30 a.m. for the purpose of considering and, if thought fit, with or without amendment, passing the following resolution:

ORDINARY RESOLUTION

1. “THAT:

- (a) the Loan Framework Agreement, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder, be and are hereby confirmed and approved;
- (b) the proposed annual caps for the transactions contemplated under the Loan Framework Agreement be and is hereby approved; and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to sign, execute, perfect and deliver all such documents and to affix the common seal of the Company on any such document as and when necessary and do all such deeds, acts, matters and things as he may in his discretion consider necessary or desirable for the purposes of or in connection with the Loan Framework Agreement.”

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

The PRC, 22 November 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:
Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119
KY1-1205
Cayman Islands

*Principal place of business
in Hong Kong:*
31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay, Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. On a poll, votes may be given either personally or by proxy.
2. In the case of joint holders, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. A form of proxy for use at the EGM is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.seazengroup.com.cn).
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hands of any officer or attorney duly authorised.
5. In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar of the Company, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. before 10:30 a.m. on Saturday, 7 December 2024) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
6. Completion and return of the form of proxy will not preclude a member from attending the EGM and voting in person if he/she so wishes. In the event that a member attends and votes at the EGM after having lodged his/her form of proxy, his/her form of proxy shall be deemed to be revoked.
7. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Friday, 6 December 2024 to Monday, 9 December 2024 (both days inclusive) and during such period no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar and transfer office of the Company, Link Market Services (Hong Kong) Pty Limited, at Suite 1601, 16/F, Central Tower, 28 Queen's Road Central, Hong Kong not later than 4:30 p.m. on Thursday, 5 December 2024.
8. Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolution set out in this notice will be taken by poll at the above meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise stated, the capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 22 November 2024.

As at the date of this notice, the directors are Mr. Lv Xiaoping and Mr. Lu Zhongming as executive directors, Mr. Wang Xiaosong and Mr. Zhang Shengman as non-executive directors and Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke as independent non-executive directors.