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If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this circular, you should consult appropriate independent advisers to obtain independent professional advice.

If you have sold or transferred all your shares in **S-Enjoy Service Group Co., Limited**, you should at once hand this circular to the purchaser or the 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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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 SUPPLEMENTAL AGREEMENT;**
- (2) 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT; AND**
- (3) 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 7 to 23 of this circular. A letter from the Independent Board Committee is set out on pages 24 to 25 of this circular. A letter from China Sunrise Capital Limited, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 56 of this circular.

A notice convening the EGM of the Company to be held at Beijing Room, 42/F, The Center, 99 Queen's Road Central, Hong Kong on Monday, 9 December 2024 at 10:30 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is also enclosed. If you intend to attend the EGM by proxy, you are required to duly complete the enclosed proxy form 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.xinchengyue.com.

22 November 2024

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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:

“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

DEFINITIONS

“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

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at Beijing Room, 42/F, The Center, 99 Queen’s 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, among others, the ordinary resolutions in relation to the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee, comprising the independent non-executive Directors, established to advise 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto)
“Independent Financial Adviser” or “China Sunrise Capital”	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 SFO, 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto)

DEFINITIONS

“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
“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
“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 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
“Notice of EGM”	the notice convening the EGM as set out on pages EGM-1 to EGM-4 of this circular

DEFINITIONS

“Parking Lot Refundable Deposits”	the parking lot 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 whose shares are listed on the Shanghai Stock Exchange (stock code: 601155), and one of Mr. Wang’s Associated Companies
“SFO”	the 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) in the share capital of the Company with a par value of US\$0.01 each

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



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)

Directors:

Executive Directors:

Mr. Qi Xiaoming (*Chairman and Chief Executive Officer*)
Mr. Yang Bo
Ms. Wu Qianqian

Non-Executive Directors:

Mr. Wang Xiaosong
Mr. Lv Xiaoping
Mr. Lu Zhongming

Independent Non-Executive Directors:

Ms. Zhang Yan
Mr. Zhu Wei
Mr. Xu Xinmin

Registered office:

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Headquarters in the PRC:

8th Floor, Seazen Holdings Tower A
No. 6, Lane 388, Zhongjiang Road
Putuo, Shanghai
PRC

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,

CONTINUING CONNECTED TRANSACTIONS

- (1) 2025 SERVICES FRAMEWORK SUPPLEMENTAL AGREEMENT;
(2) 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT; AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 30 October 2024 in relation to the proposed continuing connected transactions under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement for a term of three years expiring on 31 December 2027.

LETTER FROM THE BOARD

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

1. details of the 2025 Services Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps thereto);
2. details of the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto);
3. the opinion and recommendation of the Independent Board Committee on the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto); and
4. a letter of advice from China Sunrise Capital to the Independent Board Committee and the Independent Shareholders containing its opinion and recommendation on the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto).

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.

LETTER FROM THE BOARD

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).

LETTER FROM THE BOARD

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:

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

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).

LETTER FROM THE BOARD

- (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).

The entering into of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are not made inter-conditional.

NEW ANNUAL CAPS AND THEIR BASIS

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

The maximum daily balance of the Parking Lot Refundable Deposits to be paid by the Group to Mr. Wang's Associated Companies (excluding Seazen Holdings) shall not exceed RMB62.0 million. The maximum daily balance of the Parking Lot Refundable Deposits to be paid by the Group to Seazen Holdings shall not exceed RMB395.0 million.

LETTER FROM THE BOARD

The table below sets forth the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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	2026	2027
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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.

LETTER FROM THE BOARD

HISTORICAL TRANSACTION AMOUNTS

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

REASONS FOR AND BENEFITS OF ENTERING INTO 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. As disclosed in the announcement of the Company dated 30 October 2024, the Company has entered into the 2025 Services Framework Agreement and the 2025 Seazen Framework

LETTER FROM THE BOARD

Agreement with Mr. Wang and Seazen Holdings, respectively, as a continuation of the stable and trustworthy business relationship between the Group and Mr. Wang's Associated Companies (including the Seazen Group) which the Group can leverage to achieve its business objectives.

As disclosed in the paragraph headed "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 (as part of the services covered under the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement), for Parking Lot Sales Agency Services which are provided under the exclusive distribution arrangement, the Group would normally be required to pay the Parking Lot Refundable Deposits to Mr. Wang's Associated Companies. To cater for such arrangement which would constitute discloseable and continuing connected transactions of the Group, it is therefore necessary to enter into the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement. 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. Generally, sales commission generated from the Parking Lot Sales Agency Services are paid to the Group either by Mr. Wang's Associated Companies or by the purchasers of the relevant parking lots (who are independent third parties) depending on the arrangement agreed between the parties. In this connection, the total sales commission generated from the Parking Lot Sales Agency Services for the nine months ended 30 September 2024 amounted to approximately RMB69.8 million (comprising approximately RMB67.2 million generated from independent third parties and RMB2.6 million from Mr. Wang's Associated Companies), which is equivalent to approximately 13.00% of the maximum daily balance of the Parking Lot Refundable Deposits paid to Mr. Wang's Associated Companies during the period. Accordingly, for illustrative purpose only, the historical rate of return from the Parking Lot Refundable Deposits (being the sales commission generated from the Parking Lot Sales Agency Services) is higher than (a) the loan prime rates as announced by the People's Bank of China (being 3.1% and 3.6% for the one-year and five-year loan prime rates,

LETTER FROM THE BOARD

respectively, with effect from 21 October 2024) and (b) the rate of return from depositing the idle fund into the Group's bank deposit account (with interest rate of approximately 1.5% per annum so far in 2024). In light of the above, the Directors consider that the payment of the Parking Lot Refundable Deposits, which enables the Group to generate income from sales commission with higher rate of return as compared to the loan prime rate and bank deposit interest rate, and together with other reasons and benefits to be further discussed below, is in the interests of the Company and its Shareholders;

- (iii) by making the payment of the Parking Lot Refundable Deposits, the Group is generally able to charge higher sales 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 sales 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 balances 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, 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 balances 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 believes that the Company would have sufficient funding for its operation and consider the payment of the Parking Lot Refundable Deposits to be a fair mean to better utilize its surplus cash;

LETTER FROM THE BOARD

- (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 interest 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, 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. In particular, (i) the Directors have reviewed the financial statements of Mr. Wang's Associated Companies (including Seazen Holdings), and noted that Mr. Wang's Associated Companies have recorded positive net asset position as at 30 September 2024 (including Seazen Holdings, which recorded net assets of approximately RMB84,121.9 million and cash equivalents of approximately RMB13,316.8 million as at 30 September 2024); (ii) the Directors have reviewed the credit report issued by China Chengxin International Credit Rating Co. Ltd.* (中誠信國際信用評級有限責任公司) (which is an independent credit rating company engaged by Seazen Holdings to conduct ratings for the medium term note issued by Seazen Holdings and on Seazen Holdings itself as the issuer) in May 2024, which indicated that the credit rating of Seazen Holdings has been maintained at AAA since its last assessment in May 2023; (iii) the Directors noted there had been no instances of default by Mr. Wang's Associated Companies in the repayment or payment of the Parking Lot Refundable Deposits, the payables arising from the 2024 Services

LETTER FROM THE BOARD

Framework Agreement and 2024 Seazen Framework Agreement, and the loan under the loan agreement dated 30 September 2024 entered into between the Company and Seazen Holdings. In light of the aforesaid, the Directors are not aware of any material adverse matters in relation to Mr. Wang's Associated Companies which cast doubt on their credit worthiness or financial capability to repay the Parking Lot Refundable Deposits when the repayments fall due. Notwithstanding the above, to minimise the credit risk in relation to the payment of the Parking Lot Refundable Deposits, the Company will continue to review the refunding status of the Parking Lot Refundable Deposits on a monthly basis. While Mr. Wang's Associated Companies have been repaying the Parking Lot Refundable Deposits when they fall due, in the event of a delay in the refunding of the Parking Lot Refundable Deposits to the Group going forward, the Group will follow up with the relevant Mr. Wang's Associated Companies in a timely manner.

The terms of 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 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, including the independent non-executive Directors whose views are set out in the section headed "Letter from Independent Board Committee" in this circular, after taking into account the advice from the Independent Financial Adviser, and excluding the Directors who had abstained from voting on the Board resolutions (as set out in the paragraph headed "Implications under the Listing Rules" below)) is of the view that each of 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, in the usual and ordinary course of business of the Group. The transactions contemplated under 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 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 Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement to ensure that the proposed

LETTER FROM THE BOARD

New Parking Lot Refundable Deposit Annual Caps and the proposed 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 have been made in accordance with the terms of 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 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 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 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 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.

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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 balances 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 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.

LETTER FROM THE BOARD

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.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, 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 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 the advice from the Independent Financial Adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, (i) Mr. Wang Xiaosong, a non-executive Director and the son of Mr. Wang; and (ii) Mr. Lv Xiaoping and Mr. Lu Zhongming, 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 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto). Save as mentioned above, none of the other Directors has a material interest in the transactions contemplated under 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.

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EGM AND PROXY ARRANGEMENT

An EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve, among others, the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto).

All Shareholders who have a material interest in any of the transactions contemplated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, together with their associates, will be required to abstain from voting on the relevant resolutions to be proposed at the EGM. Accordingly, Mr. Wang and Mr. Wang's Associated Companies, which are deemed to be interested in 600,000,000 Shares, representing an aggregate of approximately 68.86% 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 ordinary resolutions in relation to the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto). Save as disclosed above, there is no other Shareholder who has any material interest in the transactions contemplated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement. As such, no other Shareholder is required to abstain from voting at the EGM on the ordinary resolutions in relation to the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto).

The Independent Board Committee has been formed in accordance with the Listing Rules to advise the Independent Shareholders on the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto). In this connection, China Sunrise Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto).

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xinchengyue.com).

Whether or not you are able to attend the EGM, you are required to complete the enclosed 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 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 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.

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.

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, all the resolutions 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 Independent Board Committee after considering the advice from the Independent Financial Adviser, is of the view that (i) the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are entered into in the ordinary and usual course of business of the Company on normal commercial terms; and (ii) the terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental

LETTER FROM THE BOARD

Agreement (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto) at the EGM.

ADDITIONAL INFORMATION

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

The financial information for the nine months ended 30 September 2024 is only based on the preliminary assessment by the Board on the management accounts of the Group and information currently available to the Group, which has not been audited or reviewed by the auditors and/or audit committee of the Company and may be subject to amendments or adjustments. Shareholders and potential investors are advised to refer to detailed financial information to be disclosed in the Company's announcement in respect of the annual results for the year ending 31 December 2024 to be published in due course.

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

* *For identification purpose only*

LETTER FROM INDEPENDENT BOARD COMMITTEE



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)

22 November 2024

CONTINUING CONNECTED TRANSACTIONS

**(1) 2025 SERVICES FRAMEWORK SUPPLEMENTAL AGREEMENT; AND
(2) 2025 SEAZEN FRAMEWORK SUPPLEMENTAL AGREEMENT**

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 22 November 2024 (the “**Circular**”), of which this letter forms a part. Terms defined therein 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 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto) are fair and reasonable so far as the Independent Shareholders are concerned, the relevant continuing connected transactions (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto) 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.

China Sunrise 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 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen

LETTER FROM INDEPENDENT BOARD COMMITTEE

Parking Lot Refundable Deposit Annual Caps thereto). Details of the advice from China Sunrise Capital, together with the principal factors taken into consideration in arriving at such advice, are set out in its letter on pages 26 to 56 of the Circular.

We wish to draw your attention to the letter from the Board set out on pages 7 to 23 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 China Sunrise Capital, we consider that the terms of continuing connected transactions contemplated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto) are on normal commercial terms, fair and reasonable, 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.

Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions regarding the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto) to be proposed at the EGM.

Yours faithfully

Zhang Yan
Independent
non-executive Director

Zhu Wei
Independent
non-executive Director

Xu Xinmin
Independent
non-executive Director

Independent Board Committee of S-Enjoy Service Group Co., Limited

LETTER FROM CHINA SUNRISE CAPITAL

Set out below is the text of the letter of advice from the Independent Financial Adviser to 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps), which has been prepared for the purpose of inclusion in this Circular.



CHINA SUNRISE CAPITAL LIMITED

Unit 4513, 45th Floor
The Center
99 Queen's Road Central
Hong Kong

22 November 2024

To: The Independent Board Committee and the Independent Shareholders of S-Enjoy Service Group Co., Limited

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (collectively, the “**Continuing Connected Transactions**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 22 November 2024 (the “**Circular**”), of which this letter (the “**Letter**”) forms part. Capitalised terms used in this Letter shall have the same meanings as those defined in this Circular unless otherwise defined or the context requires otherwise.

As stated in the announcement of the Company dated 30 October 2024 (the “**Announcement**”), 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

LETTER FROM CHINA SUNRISE CAPITAL

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 Latest Practicable Date, 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 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 the advice from the Independent Financial Adviser) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of this Circular, (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 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, and therefore, no other Director has abstained from voting on approval of the relevant resolutions.

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, the 2025 Seazen Framework Supplemental Agreement and the Continuing Connected Transactions.

LETTER FROM CHINA SUNRISE CAPITAL

All Shareholders who have a material interest in any of the transactions contemplated under the the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, together with their associates, will be required to abstain from voting on the relevant resolution(s) to be proposed at the EGM. Accordingly, Mr. Wang and Mr. Wang's Associated Companies, which are deemed to be interested in 600,000,000 Shares, representing an aggregate of approximately 68.86% 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 resolutions in relation to the Continuing Connected Transactions. Save as disclosed above, there is no other Shareholder who has any material interest in the Continuing Connected Transactions. As such, no other Shareholder is required to abstain from voting at the EGM on the resolutions in relation to the Continuing Connected Transactions.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Ms. Zhang Yan, Mr. Zhu Wei and Mr. Xu Xinmin, has been established to consider and make a recommendation to the Independent Shareholders on:

- (i) whether the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group;
- (ii) whether the terms of the Continuing Connected Transactions are on normal commercial terms and fair and reasonable;
- (iii) whether the Continuing Connected Transactions are in the interests of the Company and the Shareholders as a whole; and
- (iv) how the Independent Shareholders should vote in respect to the relevant resolutions to be proposed at the EGM to approve the Continuing Connected Transactions.

We, China Sunrise Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 13.84 of the Listing Rules.

None of the members of the Independent Board Committee has any interest or involvement in the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and the transactions contemplated thereunder (including the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed New Seazen Parking Lot Refundable Deposit Annual Caps thereto). Having obtained and considered the advice from the

LETTER FROM CHINA SUNRISE CAPITAL

Independent Financial Adviser, the view and recommendation of the Independent Board Committee in respect of the Continuing Connected Transactions are set out in the Letter from the Independent Board Committee in this Circular.

OUR INDEPENDENCE

During the past two years immediately prior to the Latest Practicable Date, we were appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of certain continuing connected transactions. Details of which are set out in the circular of the Company dated 4 December 2023 (the “**Past Appointment**”). The Past Appointments were independent to our current appointment in relation to the Continuing Connected Transactions. We are not aware of the existence of or change in any circumstances that could affect our independence. Accordingly, we do not consider the Past Appointments give rise to any conflict of interest for China Sunrise Capital in respect of the Continuing Connected Transactions.

Save for the Past Appointment and this appointment as the Independent Financial Adviser to provide our independent advice on the Continuing Connected Transactions, as at the Latest Practicable Date, China Sunrise Capital did not have any other relationship or connection, financial or otherwise, with or any interests in the Company, or the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates that could reasonably be regarded as relevant to our independence. In the last two years, save for the Past Appointment and the appointment as the Independent Financial Adviser in connection with the Continuing Connected Transactions, there was no engagement between the Group and China Sunrise Capital.

Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we have received or will receive any fees or benefits from the Group, or the Directors, chief executive or substantial Shareholders of the Company or any of their respective associates, Seazen Holdings or any other parties that could reasonably be regarded as relevant to our independence and we are not aware of the existence of or change in any circumstances that would affect our independence. Accordingly, we consider that we are eligible to give independent advice on the Continuing Connected Transactions and the transactions contemplated thereunder under Rule 13.84 of the Listing Rules.

BASIS OF OUR ADVICE

In formulating our advice, we have relied on the truth, accuracy and completeness of the statements, information, facts, representations and opinions contained or referred to in this Circular, provided and made to us by the Directors and the management of the Group (collectively, the “**Management**”), the Company, and its advisers. We have reviewed, amongst other things:

LETTER FROM CHINA SUNRISE CAPITAL

- (i) 2025 Services Framework Supplemental Agreement;
- (ii) 2025 Seazen Framework Supplemental Agreement;
- (iii) the Company's interim report for the six months ended 30 June 2024 (the "**2024 Interim Report**");
- (iv) the Company's annual report for the year ended 31 December 2023 (the "**2023 Annual Report**");
- (v) the Company's annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"); and
- (vi) other information as set out in the Circular.

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 in this Circular or this Circular misleading. We have also sought and received confirmation from the Directors that no material information or facts have been omitted from the information and facts provided to us and the representations made and opinions expressed by them are not misleading or deceptive in any material respect. We have no reason to suspect that any material information or facts have been omitted or withheld nor to doubt the truth, accuracy or completeness of the information and facts contained in this Circular or provided to us, or the reasonableness of the opinions expressed by the Management, the Company, and its advisers, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for us to formulate our advice as set out in this Letter. We have assumed that all statements, information, facts, representations and opinions contained or referred to in this Circular and/or those provided to us by the Management, the Company and its advisers, for which they are solely and wholly responsible, have been reasonably made after due enquiries and careful consideration and are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so in all material respect up to the date of the EGM.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Circular, save and except for this Letter.

LETTER FROM CHINA SUNRISE CAPITAL

We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the businesses, affairs, operations, financial position or future prospects of the Group.

Our advice is necessarily based on the prevailing financial, economic, market and other conditions and the information made available to us as at the Latest Practicable Date. Where information in this Letter has been extracted from published or otherwise publicly available sources, the sole responsibility of ours is to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant stated sources and not used out of context.

This Letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the matters relating to the Continuing Connected Transactions. Except for its inclusion in this Circular, this Letter is not to be quoted or referred to, in whole or in part, nor shall this Letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion and recommendations in respect of the Continuing Connected Transactions to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1. Background information of the Group

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.

The following is the highlights of the financial results of the Group for each of the year ended 31 December 2022 (“**FY2022**”) and 2023 (“**FY2023**”), and the six months ended 30 June 2023 (“**1H2023**”) and 2024 (“**1H2024**”), as extracted from the 2022 Annual Report, the 2023 Annual Report and the 2024 Interim Report, respectively:

LETTER FROM CHINA SUNRISE CAPITAL

Table 1: Highlights of the financial results of the Group

	Unaudited		Audited	
	1H2024 (RMB'000)	1H2023 (RMB'000)	FY2023 (RMB'000)	FY2022 (RMB'000)
Revenue	2,770,369	2,681,101	5,424,284	5,179,553
— <i>Property management services</i>	1,907,903	1,694,125	3,555,106	3,024,934
— <i>Value-added services</i>	862,466	986,976	1,869,178	2,154,619
Gross profit	753,209	717,574	1,438,478	1,338,140
Profit for the period/year attributable to the owners of the Company	301,599	293,789	445,045	423,476

Sources: the 2022 Annual Report, the 2023 Annual Report and the 2024 Interim Report

FY2023 vs FY2022

For FY2023, the Group recorded revenue of approximately RMB5,424.3 million, representing an increase of approximately 4.7% from approximately RMB5,179.6 million for FY2022. Such increase in revenue was mainly attributable to: (i) the increase in property management services segment by approximately 17.5% from approximately RMB3,024.9 million for FY2022 to approximately RMB3,555.1 million for FY2023; and (ii) offset by the decrease in value-added services segment by approximately 13.2% from approximately RMB2,154.6 million for FY2022 to approximately RMB1,869.2 million for FY2023. Under the value-added segment, the community-related value-added services recorded a growth of approximately 2.3% from approximately RMB1,284.5 million for FY2022 to approximately RMB1,314.3 million for FY2023, which was offset by the decrease in developer-related value-added services from approximately RMB870.1 million for FY2022 to RMB554.9 million for FY2023.

The Group recorded profit attributable to the owners of the Company of approximately RMB445.0 million for FY2023, representing an increase of approximately 5.1% from approximately RMB423.5 million for FY2022 which was mainly due to the slightly growth of the revenue from the Group's property management services.

LETTER FROM CHINA SUNRISE CAPITAL

1H2024 vs 1H2023

The revenue of the Group increased by approximately 3.3% from approximately RMB2,681.1 million for 1H2023 to approximately RMB2,770.4 million for 1H2024. The revenue increase was primarily attributable to the increase in property management services segment by approximately 12.6% from approximately RMB1,694.1 million for 1H2023 to approximately RMB1,907.9 million for 1H2024.

Based on the above, the net profit attributable to equity shareholders of the Company reached approximately RMB301.6 million for 1H2024, representing an increase of approximately 2.7% from approximately RMB293.8 million for 1H2023.

The following is the highlights of the financial positions of the Group as at 30 June 2024 and as at 31 December 2023, as extracted from the 2024 Interim Report:

Table 2: Highlights of the financial positions of the Group

	Unaudited As at 30 June 2024 <i>(RMB'000)</i>	Audited As at 31 December 2023 <i>(RMB'000)</i>
Non-current assets	1,073,764	1,130,362
Current assets	5,896,717	5,552,281
— <i>Cash and cash equivalents</i>	<i>2,107,341</i>	<i>1,927,283</i>
Total assets	6,970,481	6,682,643
Non-current liabilities	152,144	236,043
Current liabilities	3,419,957	3,155,392
Total liabilities	3,572,101	3,391,435
Net asset value (“NAV”) attributable to owners of the Company	3,029,866	2,903,765

Source: the 2024 Interim Report

The current assets mainly consisted of inventories, contract assets, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, trade receivables, prepayments, deposits and other receivables and cash and cash equivalents. The total current assets increased from approximately RMB5,552.3 million as at 31 December 2023 to approximately RMB5,896.7 million as at 30 June 2024, representing a slight increase of approximately 6.2%. The rise was mainly attributable to combined factors consisting of, among

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others: (i) drop in financial assets at fair value through profit or loss by approximately RMB203.2 million; (ii) additional trade receivables by approximately RMB489.7 million; and (iii) a surge in cash and cash equivalents by approximately RMB180.1 million.

As at 30 June 2024, the total assets and liabilities of the Group were approximately RMB6,970.5 million and RMB3,572.1 million respectively, as compared to the respective total assets and liabilities of approximately RMB6,682.6 million and RMB3,391.4 million as at 31 December 2023 respectively, registering a slight increase of approximately 4.3% and 5.3% respectively. Given the movement of the total assets and total liabilities of the Group highlighted above, the NAV attributable to owners of the Company increased from approximately RMB2,903.8 million as at 31 December 2023 to approximately RMB3,029.9 million as at 30 June 2024, representing a moderate increase of approximately 4.3%.

2. Background information of Mr. Wang and Seazen Holdings

As stated in the Letter from the Board, 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.

3. Reasons for and benefits of the Continuing Connected Transactions

As disclosed in the Letter from the Board, 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. As disclosed in the Announcement, the Company has entered into the 2025 Services Framework Agreement and the 2025 Seazen Framework Agreement with Mr. Wang and Seazen Holdings, respectively, as a continuation of the stable and trustworthy business relationship between the Group and Mr. Wang's Associated Companies (including the Seazen Group) which the Group can leverage to achieve its business objectives.

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In addition to the above and as set out in the Letter of the Board, 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. Generally, sales commission generated from the Parking Lot Sales Agency Services are paid to the Group either by Mr. Wang's Associated Companies or by the purchasers of the relevant parking lots (who are Independent Third Parties) depending on the arrangement agreed between the parties. In this connection, the total commission generated from the Parking Lot Sales Agency Services for the nine months ended 30 September 2024 ("9M2024") amounted to approximately RMB69.8 million (comprising approximately RMB67.2 million generated from Independent Third Parties and RMB2.6 million from Mr. Wang's Associated Companies), which is equivalent to approximately 13.00% of the maximum daily balance of the Parking Lot Refundable Deposits paid to Mr. Wang's Associated Companies during the period. Accordingly, for illustrative purpose only, the historical rate of return from the Parking Lot Refundable Deposits (being the sales commission generated from the Parking Lot Sales Agency Services) is higher than (a) the loan prime rates as announced by the People's Bank of China (being 3.1% and 3.6% for the one-year and five-year loan prime rates, respectively, with effect from 21 October 2024) and (b) the rate of return from depositing the idle fund into the Group's bank deposit account (with interest rate of approximately 1.5% per annum so far in 2024). In light of the above, the Directors consider that the payment of the Parking Lot Refundable Deposits, which enables the Group to generate income from sales commission with higher rate of return as compared to the loan prime rate and bank deposit interest rate, and together with other reasons and benefits to be further discussed below, is in the interest of the Company and its shareholders;
- (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

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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 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 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 believes that the Company would have sufficient funding for its operation and consider the payment of the Parking Lot Refundable Deposits to be a fair mean 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 interest 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;

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- (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 Seazen Group and Seazen Holdings, the long-term cooperation between Mr. Wang's Associated Companies and the Group, 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. In particular, (i) the Directors have reviewed the financial statements of Mr. Wang's Associated Companies (including Seazen Holdings), and noted that Mr. Wang's Associated Companies have recorded positive NAV position as at 30 September 2024 (including Seazen Holdings, which recorded NAV of approximately RMB84,121.9 million and cash equivalents of approximately RMB13,316.8 million as at 30 September 2024); (ii) the Directors have reviewed the credit report issued by China Chengxin International Credit Rating Co. Ltd.* (中誠信國際信用評級有限責任公司) (which is an independent credit rating company engaged by Seazen Holdings to conduct ratings for the medium term note issued by Seazen Holdings and on Seazen Holdings itself as the issuer) in May 2024, which indicated that the credit rating of Seazen Holdings has been maintained at AAA since its last assessment in May 2023; and (iii) the Directors noted there had been no instances of default by Mr. Wang's Associated Companies in the repayment or payment of the Parking Lot Refundable Deposits, the payables arising from the 2024 Services Framework Agreement and 2024 Seazen Framework Agreement, and the loan under the loan agreement dated 30 September 2024 entered into between the Company and Seazen Holdings. In light of the aforesaid, the Directors are not aware of any material adverse matters in relation to Mr. Wang's Associated Companies which cast doubt on their credit worthiness or financial capability to repay the Parking Lot Refundable Deposits when the repayments fall due. Notwithstanding the above, 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. While Mr. Wang's Associated Companies have been repaying the Parking Lot Refundable Deposits when they fall due, in the event of a delay in the Parking Lot Refundable Deposits to the Group going forward, the Group will follow up with the relevant Mr. Wang's Associated Companies in a timely manner.

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The terms of 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 this Circular) is of the view that each of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement has entered into on an arm's length basis, on normal commercial terms, in the usual and ordinary course of business of the Group. The transactions contemplated under 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.

Based on our research into the property management industry in the PRC, as outlined on the National Bureau of Statistics of the PRC website, China's gross domestic product (GDP) reached RMB 126.1 trillion in 2023, reflecting a year-on-year growth of 5.2% as the economy continues its recovery from the COVID-19 pandemic. The PRC government, through the Fourteenth Five-Year Plan, aims to achieve an urbanisation rate of the resident population* (常住人口城鎮化) of about 65.0% for the resident population by 2026. Notably, the urbanisation rate of the resident population in PRC reached 66.16% in 2023, surpassing the target set in the plan. Key strategies include accelerating the urbanisation of the agricultural population* (加快農業轉移人口市民化) and improving urban layouts* (完善城鎮化空間布局) through integrated development of conurbations* (推動城市群一體化發展), modernized metropolitan areas* (建設現代化都市圈), enhanced central urban functions enhance functions of central urban areas in mega-sized-cities* (優化提升超大特大城市中心城區功能), and better living conditions in large cities. Regulatory measures from the Ministry of Housing and Urban-Rural Development are expected to improve property management services. The real estate market's growth is driven by urbanization, rising disposable incomes, and favorable government policies. The property management industry is projected to grow steadily, with GFA under management expected to increase from 31.1 billion sq.m. in 2023 to 35.5 billion sq.m. in 2026 reflecting a compound annual growth rate of 4.5%. Overall, the long-term outlook for the industry is cautiously optimistic amid ongoing uncertainties.

With reference to the 2023 Annual Report, as of December 31, 2023, the Group's total gross floor area (GFA) under management was approximately 223.7 million sq.m., representing a net increase of about 25.4 million sq.m., or approximately 12.8% from the end of 2022. This growth reflects the Group's commitment to stable expansion, with around 48.9% of this GFA attributable to third-party management. Looking ahead, the Group's future policy for property management services is to continue the handover of a substantial volume of new projects in 2024, which will significantly contribute to the Group's total revenue. The Group will review its existing projects to identify opportunities for further optimization, including those acquired through bidding and

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previous acquisitions. The Group's expansion strategy will focus on cities where the Group have a strong presence, targeting high-quality projects in familiar regions. By consolidating our projects position and leveraging our operational efficiency, the Group aim to achieve substantial profit margins.

As stated in the Letter from the Board, the sales commissions generated from the Parking Lot Sales Agency Services are paid to the Group either by Mr. Wang's Associated Companies or by the independent third party purchasers of the relevant parking lots, depending on the contractual arrangements in place. As discussed with the Management, for the nine months ended 30 September 2024, the total commission accrued from the Parking Lot Sales Agency Services amounted to approximately RMB69.8 million, which includes RMB67.2 million from Independent Third Parties and RMB2.6 million from Mr. Wang's Associated Companies. This figure represents approximately 13.00% of the maximum daily balance of the Parking Lot Refundable Deposits paid to Mr. Wang's Associated Companies during the same period. In addition, as confirmed with the Management, the historical rate of return derived from the Parking Lot Refundable Deposits, represented by the sales commission from these services, exceeds the prevailing loan prime rates announced by the People's Bank of China (3.1% for one-year loans and 3.6% for five-year loans) (<http://www.pbc.gov.cn/en/3688229/3688335/3883798/5482727/index.html>) and the interest rate of approximately 1.5% per annum from the Group's bank deposits. Based on the above, we concur with the Management that the payment of the Parking Lot Refundable Deposits, which enables the Group to generate income from sales commission with higher rate of return as compared to the loan prime rate and bank deposit interest rate of the Group.

Having considered that: (i) the existing continuing connected transactions will be recurring in nature and similar transactions have been taking place in the past years in the ordinary and usual course of business of the Group; (ii) Mr. Wang's Associated Companies (including Seazen Holdings) have been one of the major customers of the Group for the property management services and value-added services, the continuation of the Continuing Connected Transactions under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement will maintain the Group's business operation; and (iii) the Group's internal control procedures to be discussed below under the section headed "6. Internal Control Measures", we are of the view that the entering into of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are in the interests of the Company and the Shareholders as a whole.

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4. Principal terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement

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:

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Parking Lot Refundable Deposits payable	=	Base price of each parking lot [#]	×	Number of parking lots under the relevant Parking Lot Sales Agency Services Subsidiary Agreement
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[#] 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.

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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).

The entering into of 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are not made inter-conditional.

Review of the principal terms

We have reviewed the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement and noted that the pricing and other terms are substantially identical except for the contractual parties. In addition, in assessing the fairness and reasonableness of the payment of the Parking Lot Refundable Deposits paid by the Group to Mr. Wang's Associated Companies pursuant to the parking lot sales agency services subsidiary agreements in connection with the parking lot sales agency services (the "**Historical Refundable Deposits**") during 9M2024, we have obtained and reviewed from the Management, by way of random sampling, two sets of parking lot sales agency services subsidiary agreements previously entered into between the Group and Mr. Wang's Associated Companies, and compared against two sets of parking lot sales agency services subsidiary agreements previously entered into between the Group and independent third party in relation to the provision of parking lot sales agency services during the Review Period, it is noted that each contract was reviewed when appropriate, by the responsible relevant personnel and internal audit department before the individual agreement was entered into. Further, we noticed that the principal terms of such agreements including but not limited to the pricing and other terms offered by Mr. Wang's Associated Companies are generally consistent with those offered by independent third party vendors and they are not less favourable to the Company than those offered by independent third parties. Furthermore, we also noted that the pricing and other terms under the Historical Refundable Deposits are generally consistent with those of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement which, as analysed below, are considered to be fair and reasonable.

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In assessing the fairness and reasonableness of the key terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement, including the nature of services provided, the requirement of security deposits, the pricing terms and mechanism, we conducted an independent research on comparable transactions (the “**Comparable Transactions**”) by searching on the website of Stock Exchange with a market capitalisation over HK\$400.0 million involving payment of refundable deposits in respect of sales agency services for car parking spaces which were announced by Hong Kong listed companies engaged in property management businesses in the PRC during 1 May 2022 to 30 October 2024 (being a period of approximately one and half years prior to and including the date of the Announcement). Based on our best endeavour and as far as we are aware, we have identified an exhaustive list of four Comparable Transactions, which met the said criteria and was announced during the Review Period. Details of the Comparable Transactions are set out in Table 1 below. Although the relevant announcements of the Comparable Transactions do not disclose all the comparative information included in Table 1 below, we are of the view that the Comparable Transactions are comparable for the purpose of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement as the nature of the transactions are similar and they highlight the different market practice in the provision of parking lot sales agency services.

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Table 1: Analysis of the Comparable Transactions

Company Name (stock code)	Announcement date	Base price of the parking lots	Deposit rate	Annual cap for deposit amount	Secured by collateral (Yes/No)	Interest rate	Payment in lump sum	Connected transaction	Market capitalisation as at 4 November 2024 (HK\$ million)
CIFI Ever Sunshine Services (1995)	29 October 2024	The pre-determined minimum sales price determined by the parties on a case by case basis	Up to 100% of the base price	Maximum daily balance of Deposits For the year ending 31 December 2025: RMB756.4 million For the year ending 31 December 2026: RMB705.3 million For the year ending 31 December 2027: RMB631.8 million	Not disclosed	Nil	Not disclosed	Yes	4,183
Jinmao Property Services Co., Limited (816)	26 October 2023	The pre-determined minimum sales price determined by the parties on a case by case basis	Up to the total minimum sales price	Maximum daily balance of Deposits: HK\$600 million for the three years ending December 2026	Not disclosed	Nil	Not disclosed	Yes	2,523
CIFI Ever Sunshine Services Group Limited (1995)	26 September 2023	Pre-determined acceptable lowest sales price	Up to 100% of the base price	For the period commencing from 1 July 2023 to 31 December 2023: RMB510 million For the year ending 31 December 2024: RMB525 million	Not disclosed	Nil	(i) A wide range of above 10% of the pre-determined sale price or (ii) the base price or (iii) on an instalment basis for up to 100% of the base price	Yes	4,183

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Company Name (stock code)	Announcement date	Base price of the parking lots	Deposit rate	Annual cap for deposit amount	Secured by collateral (Yes/No)	Interest rate	Payment in lump sum	Connected transaction	Market capitalisation as at 4 November 2024 (HK\$ million)
Shimao Services Holdings Limited (873) ("Shimao Services")	20 July 2023	Minimum acceptable sale price agreed upon by both parties	Not more than 35% of the base price	Not disclosed	Not disclosed	Nil	No (<i>Note 1</i>)	Yes	2,369
The Company	30 October 2024	Base price is the pre-determined acceptable lowest sales price.	100% of the base price	Maximum daily balance of the deposit under the 2025 Services Framework Supplemental Agreement: RMB62 million	No	Nil	No	Yes	3,032
				Maximum daily balance of the deposit under the 2025 Seazen Framework Supplemental Agreement: RMB395 million					

Source: the website of the Stock Exchange and Bloomberg

Notes:

- As stated in the announcement of Shimao Services dated 20 July 2023, Shimao Services shall pay deposits in accordance with the individual agreements for the exclusive rights to sell the respective carpark spaces.*

As shown in Table 1 above, in connection to the base price of the parking lots among the Comparable Transactions, all of Comparable Transactions have adopted a pre-determined or a mutually acceptable minimum price for sale or leasing on the relevant parking lots. Accordingly, by setting the base price as the pre-determined acceptable lowest sales price as stipulated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement is in line with those under the majority of the Comparable Transactions and is justifiable.

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Pursuant to the deposit rate of the parking lots adopted by the Comparable Transactions, we noted that one out of the four Comparable Transactions would make reference to the market value of the parking lots and to apply a certain percentage onto the market value, which is not more than 35% of the market value. Whereas three out of the four Comparable Transactions have adopted a deposit rate based on up to or equal to 100% on the base price of the parking lots. Accordingly, the Parking Lot refundable Deposits of 100% of the base price of each parking lot under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement is justifiable and in line with the market practice as set out under the Comparable Transactions.

Based on the relevant announcements of the Comparable Transactions, no information set out therein has indicated that the refundable deposits shall be entitle to any interest payment arrangement. Accordingly, having considered, among others, (i) all of the Comparable Transactions indicated that the relevant refundable deposits are interest-free; and (ii) the potential benefits of the Continuing Connected Transactions as mentioned under the section headed “3. Reasons for and benefits of the Continuing Connected Transactions” above, we consider that the interest free basis under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement is in line with the normal market practice, fair and reasonable and on normal commercial terms.

With respect to the payment terms of the Parking Lot Refundable Deposits, it is noted that the majority of the Comparable Transactions (i.e. three out of the four) did not disclose the relevant payment terms of the refundable deposits in their respective announcements. The payment of a deposit to secure the car parking lots for the agency sale is a commonly accepted market practice in the PRC between property owners and property management companies. The Parking Lot Refundable Deposits to be paid by the Group under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are to secure the car parking lots for the Group to provide the car parking lot sales agency services, which is in line with the principal business of the Group in providing Property Management Services and Parking Lot Sales Agency Services is one of the main components of Property Management Services. We understand from the Management that the risk of failure to refund the Parking Lot Refundable Deposits to be extremely low in light of the relationship between the Group and Mr Wang’s Associated Companies and Seazen Holdings and the long-standing business relationship among them. The Group has been benefiting from generating business and revenue from Mr. Wang’s Associated Companies and Seazen Holdings. As such, we are of the view that the payment terms as stipulated under the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are no less favourable than the market practice.

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Based on the above, we concur with the Management that the pricing and other terms of the 2025 Services Framework Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement are fair and reasonable and on normal commercial terms.

Historical actual transactions amount

As stated in the Letter from the Board, the table below sets out the historical actual transaction amounts of the Historical Refundable Deposits paid by the Group to Mr. Wang's Associated Companies (excluding Seazen Holdings) and Seazen Holdings for FY2021, FY2022, FY2023 and the 9M2024:

Table 2: The historical actual transaction amounts of the Historical Refundable Deposits

	For the year ended 31 December			For the nine months ended
	2021	2022	2023	30 September 2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Maximum daily balance of the Historical 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

As illustrated above, the historical actual transaction amount of the Historical Refundable Deposits paid by the Group to (i) Mr. Wang's Associated Companies (excluding Seazen Holdings) amounted to approximately RMB72.3 million, RMB93.3 million, RMB75.2 million and RMB69.4 million for FY2021, FY2022, FY2023 and 9M2024 respectively; and (ii) Seazen Holdings amounted to approximately RMB256.3 million, RMB494.7 million, RMB496.4 million and RMB467.7 million for FY2021, FY2022, FY2023 and 9M2024 respectively. Consequently, it is noted that the year-on-year growth rates for the maximum daily balance of the Historical Refundable Deposits during FY2022 are significant, representing approximately 78.9%, and it is mainly attributable to (a) the number of parking lots sold by the Group as rendered under the Parking Lot Sales Agency Services amounted 5,684 and 7,679 for FY2021 and FY2022, represented a significant year-on-year hike in the growth rate of approximately 35.1%, (b) the year-on-year increase in the success rate of the Group in entering into Parking Lot Sales Agency Services which are provided under exclusive distribution arrangement, whereby an exclusive right to sell all parking lots of a particular project is granted to the Group, represented a historical success rate of

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approximately 55.4% and 56.1% for FY2021 and FY2022. The maximum daily balance of the Historical Refundable Deposits is slightly decrease approximately 2.8% during FY2023. The decrease is primarily due to a slowdown in new projects.

As stated in the Letter from the Board, the table below sets forth the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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:

Table 3: 2025, 2026 and 2027 Parking Lot Refundable Deposit Annual Cap and 2025, 2026 and 2027 Seazen Parking Lot Refundable Deposit Annual Cap for the Parking Lot Refundable Deposits

	FY2025	FY2026	FY2027
	<i>RMB'000</i>	<i>RMB'000</i>	<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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 9M2024; 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.

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Caps Computation

In assessing the reasonableness of the proposed Parking Lot Refundable Deposit Annual Cap and the Seazen Parking Lot Refundable Deposit Annual Cap, we have discussed with the Management on the basis and underlying assumptions for the purpose of setting the proposed annual cap. We have also obtained and reviewed from the Management the computation worksheets for the Parking Lot Refundable Deposit Annual Cap and the Seazen Parking Lot Refundable Deposit Annual Cap in respect of the Continuing Connected Transactions including the project schedule of the parking lots (the “**Parking Lots Project Schedule**”), which is mainly based on: (a) the existing projects on hand and secured projects 9M2024; (b) the maximum daily balance of the Historical Refundable Deposits paid by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings) and Seazen Holdings for each project for 9M2024; and (c) the prospective projects expected to commence during the remaining period of FY2024. We noted that the Parking Lots Project Schedule has stated the project details including but not limited to, the name of the vendor coupled with the nature of the counterparty, namely whether the counterparty is an independent third party or connected party (Mr. Wang’s Associated Companies (excluding Seazen Holdings) or Seazen Holdings), the name of the relevant residential property or office buildings with the respective located city and province. In regards to the basis for determining the proposed Parking Lot Refundable Deposit Annual Cap and the Seazen Parking Lot Refundable Deposit Annual Cap, we analyse each basis as follows:

- (i) we noted that the maximum daily balance of the Historical Refundable Deposits paid by the Group to: (a) Mr. Wang’s Associated Companies (excluding Seazen Holdings) amounted to approximately RMB72.3 million and RMB93.3 million during FY2021 and FY2022 respectively, represented a substantial increase of approximately 29.0%. However, there was a decrease to RMB 75.2 million in FY2023, which, while lower than FY2022, is still at the same level as FY2021 and (b) Seazen Holdings amounted to approximately RMB256.3 million and RMB494.7 million during FY2021 and FY2022 respectively, registered a substantial increase of approximately 93.0%, stabilizing at RMB 496.4 million in FY2023 during the corresponding period;
- (ii) the maximum daily balance of the Historical Refundable Deposits paid by the Group to Mr. Wang’s Associated Companies (excluding Seazen Holdings) and Seazen Holdings during 9M2024 amounted to approximately RMB69.4 million and RMB467.7 million respectively and as illustrated in the table below, registering utilisation rates of approximately 91.3% and 90.8% of the existing annual cap of RMB76.0 million and RMB515.0 million for FY2024. As such, we consider there is sufficient utilisation of the existing annual cap.

LETTER FROM CHINA SUNRISE CAPITAL

Table 4: The annual cap and the historical actual transaction amounts of the maximum daily balance of the Parking Lot Refundable Deposits for FY2024

	Maximum daily balance of the Parking Lot Refundable Deposits paid by the Group to Mr. Wang's Associated Companies FY2024 <i>RMB million</i>	Maximum daily balance of the Parking Lot Refundable Deposits paid by the Group to Seazen Holdings FY2024 <i>RMB million</i>
Historic actual maximum daily balance	69.4 (up to 9M2024)	467.7 (up to 9M2024)
Approved annual caps	76.0	515.0
Utilisation rates	91.3%	90.8%

(iii) During the course of determining the proposed Parking Lot Refundable Deposit Annual Cap and the proposed Seazen Parking Lot Refundable Deposit Annual Cap, which are the same as the annual caps of the Parking Lot Refundable Deposits under the Existing Refundable Deposits Framework Agreements, the Management considered that the expected number of projects for Parking Lot Sales Agency Services provided by the Group under exclusive distribution arrangement in 2025, 2026 and 2027 will be at the similar level as in 2024 and accordingly, maintain the proposed Parking Lot Refundable Deposit Annual Cap and the proposed Seazen Parking Lot Refundable Deposit Annual Cap as the annual caps of the Parking Lot Refundable Deposits under the Existing Refundable Deposits Framework Agreements.

Having considered the basis on which the proposed Parking Lot Refundable Deposit Annual Cap and the proposed Seazen Parking Lot Refundable Deposit Annual Cap are determined as described above, we are of the view that such annual cap is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM CHINA SUNRISE CAPITAL

5. Internal control procedures and review of the Continuing Connected Transactions

As set out in the Letter from the Board, In order to ensure that the transactions contemplated under 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 Supplemental Agreement and the 2025 Seazen Framework Supplemental Agreement to ensure that the proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 proposed New Parking Lot Refundable Deposit Annual Caps and the proposed 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 have been made in accordance with the terms of 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 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;

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- (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 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 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 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

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- (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.

Furthermore, as stated in the Letter from the Board, the Directors noted there had been no instances of default by Mr. Wang's Associated Companies in the repayment or payment of the Parking Lot Refundable Deposits, the payables arising from the 2024 Services Framework Agreement and 2024 Seazen Framework Agreement, and the Loan under the loan agreement dated 30 September 2024 entered into between the Company and Seazen Holdings. In this connection, we have held discussion with the Management and understand that the finance department of the Group will, no less frequently than on a quarterly basis, evaluate the financial performance and position of Mr. Wang's Associated Companies (including Seazen Holdings). If the finance department is aware of any material adverse change in the financial conditions of Mr. Wang's Associated Companies (including Seazen Holdings), the relevant personnel shall report to the senior management of the Group immediately so as to minimise any potential adverse impact should they arise. Furthermore, we have obtained from the Company and reviewed the financial statements of Mr. Wang's Associated Companies (including Seazen Holdings), and noted that Mr. Wang's Associated Companies have registered a positive NAV of approximately RMB84,121.9 million and with a cash and cash equivalents level of approximately RMB13,316.8 million as at 30 September 2024 respectively. In addition, we have also obtained from the Company and reviewed the credit report dated May 2024 issued by China Chengxin International Credit Rating Co. Ltd.* (中誠信國際信用評級有限責任公司), an independent credit rating company, which conducted a rating for the medium term note issued by Seazen Holdings. The credit rating report indicated that the credit rating of Seazen Holdings has maintained at AAA rating in 2023, indicated a stable outlook on Seazen Holdings and the credit rating of which in 2024 also stood at at AAA, remain unchanged from the previous assessments, the consistency of which would suggest Seazen Holdings Group possesses a sound financial stability and repayment capacity. For our due diligence purpose, we have also obtained on a random basis and reviewed a total of six sets of samples of the settlement record regarding the repayment of the Parking Lot Refundable Deposits and loan receivables and noted that there have been no instances of default by Mr. Wang's Associated Companies regarding the repayment of the Parking Lot Refundable Deposits, the payables arising from the 2024 Services Framework Agreement and the 2024 Seazen Framework Agreement, as well as the loan under the agreement dated 30

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September 2024. All of the above demonstrated the financial capability of Mr. Wang's Associated Companies to honour the required payment obligations under the Continuing Connected Transactions.

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 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.

Review by the external auditors

Pursuant to Rule 14A.56 of the Listing Rules, the Company must engage its external auditors to review the continuing connected transactions annually to check and confirm, among others, whether the terms have been adhered to and whether the relevant caps have been exceeded. With reference to the 2023 Annual Report and the independent auditor's assurance report on continuing connected transactions which we obtained from the Company, the Company had engaged PricewaterhouseCoopers, the independent auditors of the Company (the "**Auditors**") to report on the continuing connected transactions in relation to the 2024 Seazen Framework Agreement, the 2024 Services Framework Agreement, the 2024 Seazen Framework Supplemental Agreement and 2024 Services Framework Supplemental Agreement as set out in the circular of the Company dated 4 December 2023 (the "**Historical Transactions**") in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. We have obtained and reviewed the reports issued by the Auditors for FY2023 and note that the Auditors have concluded that nothing had come to their attention that caused them to believe that:

- (i) the Historical Transactions have not been approved by the Board;
- (ii) the Historical Transactions were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (iii) the Historical Transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the Historical Transactions; and

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- (iv) the Historical Transactions have exceeded the relevant cap amounts during FY2023.

Review by the independent non-executive Directors

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors must review annually the continuing connected transactions and confirm in the Company's annual report whether the continuing connected transactions had been entered into: (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole. We note the independent non-executive Directors have issued such confirmation in respect of the Historical Transactions in the 2022 Annual Report.

Based on the above, we understood from the internal control procedures of the Group and noted that there are stringent controls in the transaction approval and implementation process. We have understood, including but not limited to:

- (i) regular monitoring of the continuing connected transactions contemplated under the Existing Framework Agreements by the finance department of the Group;
- (ii) monthly internal review on the terms of the property management services and value-added services provided under the Existing Framework Agreements;
- (iii) preliminary review of the specific terms and conditions of the transactions prior to entering into any subsidiary agreements by the personnel of various departments including the legal department, finance department and operation department of the Company, to ensure their consistency with the Existing Framework Agreements;
- (iv) review by the Auditors pursuant to the Listing Rules and in accordance with the relevant assurance standards in respect of the Historical Transactions that nothing had come to their attention that cause them to believe that there was unusual transaction as set out in the report issued by the Auditors for FY2022; and
- (v) review by the independent non-executive Directors pursuant to the Listing Rules as confirmed in the 2022 Annual Report that the Historical Transactions had been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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Based on the above, we are of the view that the implementation of the above internal control procedures of the Group are efficient and effective to implement the Continuing Connected Transactions in the ordinary and usual course of business of the Group and can ensure that the pricing terms of the Continuing Connected Transactions can be on normal commercial terms or better, fair and reasonable, and in particular, on terms that are no less favourable to the Group than those offered to the independent third party customers and that the Continuing Connected Transactions can be conducted as agreed in the 2024 Services Framework Agreement, 2024 Seazen Framework Agreement, the 2024 Services Framework Supplemental Agreement and the 2024 Seazen Framework Supplemental Agreement are in compliance with Chapter 14A of the Listing Rules.

OPINION AND RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we are of the view that

- (i) the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group;
- (ii) the terms of the Continuing Connected Transactions are on normal commercial terms and fair and reasonable; and
- (iii) the Continuing Connected Transactions are in the interests of the Company and the Shareholders as whole.

Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Continuing Connected Transactions.

Yours faithfully,
for and on behalf of
CHINA SUNRISE CAPITAL LIMITED
Lenny Li
Executive Director

Mr. Lenny Li is a licensed person registered with the SFC and a responsible officer of China Sunrise Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO who has over 18 years of experience in corporate finance industry in Hong Kong.

* For identification purposes only

1. RESPONSIBILITY STATEMENT

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

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, 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 chief executive of the Company had the following interests and short positions 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 (i) 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); (ii) were recorded in the register required to be kept under Section 352 of the SFO; or (iii) 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:

Name of Directors	Capacity/Nature of interest	Number of Shares held	Appropriate percentage of the issued Shares
Mr. Qi Xiaoming	Beneficial owner and trust beneficiary	4,650,000 (L) ²	0.53%

Name of Directors	Capacity/Nature of interest	Number of Shares held	Appropriate percentage of the issued Shares
Mr. Yang Bo	Beneficial owner and trust beneficiary	399,000 (L) ³	0.05%
Ms. Wu Qianqian	Beneficial owner and trust beneficiary	138,022 (L) ⁴	0.02%

Notes:

1. The letter “L” indicates a long position in the Shares.
2. These include Mr. Qi Xiaoming’s interests in 350,000 underlying award shares (“**Award Shares**”) upon full vesting of the awards granted by the Company under the share award scheme adopted by the Company on 15 November 2019 (the “**Share Award Scheme**”).
3. These include Mr. Yang Bo’s interests in 175,000 underlying Award Shares upon full vesting of the awards granted by the Company under the Share Award Scheme.
4. These include Ms. Wu Qianqian’s interests in 70,000 underlying Award Shares upon full vesting of the awards granted by the Company under the Share Award Scheme.

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); (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

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than Directors and 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	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued Shares
Mr. Wang	Founder of a discretionary trust ²	600,000,000 (L)	68.86%
Chen Ting Sen (PTC) Limited	Trustee ³	600,000,000 (L)	68.86%
Infinity Fortune Development Limited	Interest in a controlled corporation ³	600,000,000 (L)	68.86%
First Priority Group Limited	Interest in a controlled corporation ³	600,000,000 (L)	68.86%
Wealth Zone Hong Kong Investments Limited	Interest in a controlled corporation ⁴	600,000,000 (L)	68.86%
Innovative Hero Limited	Beneficial owner ⁵	600,000,000 (L)	68.86%

Notes:

1. The letter "L" indicates a 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 600,000,000 Shares through its controlled corporations in its capacity as the trustee.

3. Chen Ting Sen (PTC) Limited, as 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.
4. Wealth Zone Hong Kong Investments Limited is 100% held by First Priority Group Limited.
5. Innovative Hero Limited is 100% held by Wealth Zone Hong Kong Investments Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had, or was deemed to have, interests or short positions 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.

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, a non-executive Director and the son of Mr. Wang, and Mr. Lv Xiaoping and Mr. Lu Zhongming, 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, the 2025 Seazen Framework Supplemental Agreement, the loan agreement dated 30 September 2024 entered into between the Company and Seazen Holdings, and the loan framework agreement dated 30 September 2024 entered into between the Company and Seazen Holdings. Save as the aforesaid, none of the Directors is materially interested in any contract or

arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting as at the Latest Practicable Date and 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 Group's financial or trading position 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

China Sunrise Capital is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. China Sunrise Capital has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which they respectively appear.

As at the Latest Practicable Date, China Sunrise Capital did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, China Sunrise Capital did not have any interest, direct or indirect, in any assets which since 31 December 2023, the date to which the latest published audited consolidated financial statements of the Group were made up, 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.

9. CORPORATE INFORMATION OF THE COMPANY

Registered office	PO Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Headquarters in the PRC	8th Floor, Seazen Holdings Tower A No. 6, Lane 388, Zhongjiang Road Putuo, 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	Mr. Chen Peng 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.xinchengyue.com) for a period of not less than 14 days from the date of this circular:

- (a) the 2025 Services Framework Supplemental Agreement;
- (b) the 2025 Seazen Framework Supplemental Agreement; and
- (c) the written consent referred to in the section headed “Qualification and Consent of Expert” in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of S-Enjoy Service Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) will be held at Beijing Room, 42/F, The Center, 99 Queen’s 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 resolutions:

ORDINARY RESOLUTIONS

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.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. **“THAT:**

- (a) the 2025 Services Framework Supplemental Agreement, a copy of which is tabled at the meeting and marked “B” 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 New Parking Lot Refundable Deposit Annual Caps be and are 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 2025 Services Framework Supplemental Agreement.”

3. **“THAT:**

- (a) the 2025 Seazen Framework Supplemental Agreement, a copy of which is tabled at the meeting and marked “C” 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 New Seazen Parking Lot Refundable Deposit Annual Caps be and are 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 2025 Seazen Framework Supplemental Agreement.”

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

The PRC, 22 November 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. For details regarding Resolution No. 1, please refer to the circular of the Company dated 22 November 2024 regarding “(1) Major Transaction and Continuing Connected Transactions in relation to Entering into Loan Framework Agreement; and (2) Notice of Extraordinary General Meeting”. For details regarding Resolutions No. 2 – No. 3, please refer to the circular of the Company dated 22 November 2024 regarding “Continuing Connected Transactions (1) 2025 Services Framework Supplemental Agreement; (2) 2025 Seazen Framework Supplemental Agreement; and (3) Notice of Extraordinary General Meeting”. Unless indicated otherwise, capitalised terms used in this notice shall have the same meanings as those defined in the aforesaid circulars.
2. A member entitled to attend and vote at the EGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Memorandum of Association and Articles of Association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. Where there are joint holders of any share, any one of such joint holders may vote, 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 any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. The ordinary resolutions at the EGM will be taken by poll pursuant to the Listing Rules. The results of the poll will be published on the designated website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xinchengyue.com) in accordance with the Listing Rules.
5. 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.xinchengyue.com).
6. 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.
7. Any shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote on behalf of him. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
8. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with 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 not less than 48 hours before the time for holding the EGM (i.e. before 10:30 a.m. on Saturday, 7 December 2024) or any adjournment thereof failing which the form of proxy will not be valid.
9. 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

10. 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 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 not later than 4:30 p.m. on Thursday, 5 December 2024.
11. Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolutions set out in this notice will be taken by poll at the above meeting.

As at the date of this notice, 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.