THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Sino-Ocean Service Holding Limited**, you should at once hand this circular to the purchaser or other transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

遠洋服務
SINO-OCEAN SERVICE

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE TRANSACTION AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

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

红日资本有限公司
RED SUN CAPITAL LIMITED

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

A notice convening the EGM to be held at Meeting Room, 3rd Floor, Tower A, Ocean International Center, 56 Dongsihuanzhonglu, Chaoyang District, Beijing, PRC on Friday, 31 October 2025 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A letter from the Board is set out on pages 5 to 24 of this circular. A letter from the Independent Board Committee is set out on page 25 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 59 of this circular.

A form of proxy for use at the EGM is enclosed to this circular and is also published on the websites of the Company (www.sinooceanservice.com) and the Stock Exchange (www.hkexnews.hk). If you intend to appoint a proxy to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e., not later than 10:00 a.m. on Wednesday, 29 October 2025 (Hong Kong Time)), 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 should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

15 October 2025

Sino-Ocean Service Holding Limited
(Incorporated in the Cayman Islands with limited liability)

Stock Code : 06677

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

"Abstained Directors"	collectively, Mr. HOU Min, an executive Director, Mr. CUI Hongjie, a non-executive Director and Mr. ZHAI Senlin, a non-executive Director
"Board"	the board of Directors
"Company"	Sino-Ocean Service Holding Limited (遠洋服務控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06677)
"Conditions Precedent"	the conditions precedent to the completion of the Transaction
"Consideration"	the amount in the sum of RMB312,400,500 payable by the Sino-Ocean Connected Persons to the Group as a result of the Return
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held at Meeting Room, 3rd Floor, Tower A, Ocean International Center, 56 Dongsihuanzhonglu, Chaoyang District, Beijing, PRC on Friday, 31 October 2025 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Framework Agreement and the transactions as contemplated thereunder
"Framework Agreement"	the framework agreement dated 16 July 2025 entered into by the Company (on behalf of each relevant member of the Group) and Sino-Ocean Group Company (on behalf of each relevant Sino-Ocean Connected Person) in relation to the Transaction, as amended and supplemented from time to time, including the supplemental agreement dated 10 October 2025
"Group"	the Company and its subsidiaries
"Guaranteed Loan"	a guaranteed loan in the principal amount of RMB312,400,500 with the Sino-Ocean Service Lender as lender and the Sino-Ocean Group Borrower as borrower, and Sino-Ocean Group Company acting as the guarantor to the loan
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	an independent board committee of the Board, comprising all the independent non-executive Directors, namely Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung, established for the purpose of advising the Independent Shareholders in respect of the Framework Agreement and the transactions as contemplated thereunder
"Independent Financial Adviser"	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement and the transactions as contemplated thereunder
"Independent Shareholders"	Shareholders other than Shine Wind and its associates
"Latest Practicable Date"	9 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix C3 to the Listing Rules
"Ocean Homeplus"	Ocean Homeplus Property Service Corporation Limited* (遠洋億家物業服務股份有限公司), a company established under the laws of the PRC with limited liability, which is a wholly-owned subsidiary of the Company
"Ocean Homeplus Group"	Ocean Homeplus and its subsidiaries
"Original Assets Transfer"	the transfer of the Target Assets pursuant to the Original Assets Transfer Framework Agreements

"Original Assets Transfer Framework Agreements"	collectively, the parking spaces transfer framework agreement and the commercial properties transfer framework agreement both dated 21 July 2023 entered into by Ocean Homeplus (on behalf of each relevant member of Ocean Homeplus Group) and Sino-Ocean Holding (on behalf of each relevant Sino-Ocean Connected Person) in relation to the acquisition by Ocean Homeplus Group of certain parking spaces and commercial properties from the Sino-Ocean Connected Persons respectively, details of which have been set out in the circular of the Company dated 25 September 2023
"PRC"	the People's Republic of China
"Return"	the return of the Target Assets by the Group to the Sino-Ocean Connected Persons at the original purchase price of RMB312,400,500 by way of cancellation of the Original Assets Transfer pursuant to the Framework Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company with a par value of HKD0.10 each
"Shareholder(s)"	shareholder(s) of the Company
"Shine Wind"	Shine Wind Development Limited (耀勝發展有限公司), a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Sino-Ocean Group Company and a controlling Shareholder
"Sino-Ocean Connected Persons" or "Sino-Ocean Group"	Sino-Ocean Group Company and its subsidiaries, and singly a "Sino-Ocean Connected Person"
"Sino-Ocean Group Borrower"	a wholly-owned subsidiary of Sino-Ocean Group Company as designated by it to be the borrower of the Guaranteed Loan
"Sino-Ocean Group Company"	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03377), which is the holding company of the Company and a controlling Shareholder

"Sino-Ocean Holding"	Beijing Sino-Ocean Group Holding Limited (北京遠洋控股集團有限公司) (formerly known as Sino-Ocean Holding Group (China) Limited (遠洋控股集團(中國)有限公司)), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Sino-Ocean Group Company
"Sino-Ocean Service Lender"	the Company or its designated wholly-owned subsidiary, being the lender of the Guaranteed Loan
"sq.m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Assets"	2,418 parking spaces acquired by the Group pursuant to the Original Assets Transfer Framework Agreements, and singly a "Target Asset"
"Transaction"	the Return and the settlement of the Consideration by the Guaranteed Loan
"Underlying Transaction Agreements"	has the meaning ascribed thereto under the section headed "THE FRAMEWORK AGREEMENT — Subject matter" in this circular
"US$"	United States dollars, the lawful currency of the United States
"Utilization Date"	has the meaning ascribed thereto under the section headed "THE FRAMEWORK AGREEMENT — Consideration and payment terms" in this circular
"%"	per cent

In this circular, unless the context otherwise requires, the terms "associate(s)", "close associate(s)", "connected person(s)", "connected transaction(s)", "controlling shareholder(s)", "percentage ratio(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

* *For identification purposes only*

遠洋服務
SINO-OCEAN SERVICE

Executive Directors:
Mr. YANG Deyong
Mr. HOU Min
Ms. ZHU Geying

Non-executive Directors:
Mr. CUI Hongjie
Mr. ZHAI Senlin

Independent non-executive Directors:
Dr. GUO Jie
Mr. HO Chi Kin Sammy
Mr. LEUNG Wai Hung

Registered office:
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Headquarters in the PRC:
3rd Floor, Tower A
Ocean International Center
56 Dongsihuanzhonglu
Chaoyang District
Beijing, PRC

Principal place of business in Hong Kong:
Suite 601, One Pacific Place
88 Queensway
Hong Kong

15 October 2025

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE TRANSACTION AND NOTICE OF THE EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 16 July 2025 in relation to the Framework Agreement and the transactions as contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Framework Agreement and the transactions as contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report of the Target Assets; and (v) other information as required under the Listing Rules, together with a notice of the EGM and the form of proxy.

THE TRANSACTION

On 16 July 2025, having considered the reasons for and benefits of the Transaction in the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" in this circular, the Company and Sino-Ocean Group Company entered into the Framework Agreement for the return by the Group to the Sino-Ocean Connected Persons of the Target Assets, which is to be effected by way of cancellation of the Original Assets Transfer, and the original purchase price of RMB323,200,000 will be reverted and settled by the Guaranteed Loan.

As mentioned in the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION", the Target Assets are subject to Existing Measures (as defined below) or Potential Measures (as defined below). Taking into account the change in circumstances after the entering into of the Framework Agreement, in September 2025, the Company successfully completed the transfer registration procedures for the transfer of parking space ownership for 266 parking spaces in Yangzhou (the "**Transferred Parking Spaces**"), which previously formed part of the Target Assets originally contemplated in the Framework Agreement. After the completion of the transfer registration procedures, the Group became the registered owner of the Transferred Parking Spaces and has the right to transfer, dispose of and benefit from such parking spaces in accordance with the relevant PRC laws, rules and/or regulations. As such, considering the aforementioned change in respect of the Transferred Parking Spaces, the parties agreed to exclude the Transferred Parking Spaces from the current transaction. In light of this development, on 10 October 2025, the Company (on behalf of each relevant member of the Group) and Sino-Ocean Group Company (on behalf of each relevant Sino-Ocean Connected Person) have entered into a supplemental agreement to the Framework Agreement to, among other things, amend the number of Target Assets involved as well as the loan amount of the Guaranteed Loan, such that the loan amount of the Guaranteed Loan have been reduced to RMB312,400,500.

The principal terms of the Framework Agreement (as subsequently amended and supplemented by the supplemental agreement dated 10 October 2025) are set out below.

THE FRAMEWORK AGREEMENT

Date

16 July 2025 (which was subsequently amended and supplemented by the supplemental agreement dated 10 October 2025)

Parties

(1) the Company (on behalf of each relevant member of the Group); and

(2) Sino-Ocean Group Company (on behalf of each relevant Sino-Ocean Connected Person).

Subject matter

The Group and the Sino-Ocean Connected Persons have conditionally agreed to cancel the Original Assets Transfer and to return to the Sino-Ocean Connected Persons the Target Assets. The Target Assets comprise 2,418 parking spaces located in the PRC which form part of the assets transferred by the Sino-Ocean Connected Persons to the Group pursuant to the Original Assets Transfer Framework Agreements. The original purchase price of RMB312,400,500 of the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by the Guaranteed Loan owing by the Sino-Ocean Group Borrower (being a designated wholly-owned subsidiary of Sino-Ocean Group Company) to the Sino-Ocean Service Lender, with Sino-Ocean Group Company acting as the guarantor to the Guaranteed Loan.

The Target Assets, together with other assets transferred to the Group, were acquired by the Group pursuant to the Original Assets Transfer Framework Agreements in 2023. Pursuant to the Original Assets Transfer Framework Agreement, among other assets, a total of 4,961 parking spaces have been acquired by the Group, of which 2,418 parking spaces (i.e. the Target Assets) would be returned to the Sino-Ocean Connected Persons under the Transaction. As of 30 June 2025, among the total of 2,543 remaining parking spaces not forming part of the Target Assets acquired by the Group pursuant to the Original Assets Transfer Framework Agreements, 618 parking spaces had been sold and 1,925 parking spaces remained as assets of the Group held for resale. For those parking spaces that remained as assets of the Group, to the best knowledge of the Directors, the Group has not received any notices of freezing or enforcement actions as at the Latest Practicable Date.

For further details of the Target Assets, please refer to the section headed "INFORMATION ON THE TARGET ASSETS" in this circular.

The Framework Agreement is a framework agreement which outlines the principles, mechanisms, and terms under which the parties will execute the Transaction. After signing the Framework Agreement, each relevant member of the Group, and/or the respective Sino-Ocean Connected Person (including the Sino-Ocean Group Borrower), will separately enter into cancellation agreements or confirmation letter(s) with respect to the Target Assets, a loan agreement for the Guaranteed Loan, and any relevant ancillary documents (collectively referred to as the "**Underlying Transaction Agreements**") subject to the terms of the Framework Agreement. The signing of, and completion of the transactions contemplated under, the Underlying Transaction Agreements will be subject to approval from the Independent Shareholders as well as satisfaction (or waiver, if applicable) of all other conditions to the Framework Agreement.

Consideration and payment terms

For the purpose of the Return, the original purchase price of RMB312,400,500 of the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by the Guaranteed Loan in the equal amount of RMB312,400,500. The lender of the Guaranteed Loan is the Sino-Ocean Service Lender and the borrower of the Guaranteed Loan is the Sino-Ocean Group Borrower, with Sino-Ocean Group Company as the guarantor to the Guaranteed Loan.

The Consideration in an amount of RMB312,400,500 is equivalent to the original consideration paid by the Group in respect of the Original Assets Transfer pursuant to the Original Assets Transfer Framework Agreements, which was determined after arm's length negotiations between the parties to the Framework Agreement having considered the reasons for and benefits of the Transaction in the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" in this circular.

Set out below are the principal terms of the Guaranteed Loan under the Framework Agreement, which will be recorded in a formal loan agreement to be entered into by the relevant parties.

Parties

(1) the Sino-Ocean Service Lender as lender;

(2) the Sino-Ocean Group Borrower as borrower; and

(3) Sino-Ocean Group Company as guarantor.

Loan amount

RMB312,400,500

The Guaranteed Loan is to be funded by internal resources of the Group and shall only be applied towards the settlement of the Consideration. The Sino-Ocean Service Lender will make available the loan amount to the Sino-Ocean Group Borrower and the Sino-Ocean Group Borrower will remit the loan amount to the relevant Sino-Ocean Connected Persons to fund the Consideration payable to the relevant members of the Group pursuant to the Underlying Transaction Agreements. The Group will, together with the Sino-Ocean Connected Persons, jointly monitor the fund flow of the loan amount from the relevant Sino-Ocean Connected Persons to the relevant members of the Group to ensure that there will be no net cash outflow from the Group and that the loan amount will be used to settle the consideration of the Return.

Term

120 months from the date of utilization of the Guaranteed Loan (the "**Utilization Date**")

Annualized interest rate

The Guaranteed Loan will bear interest from and including the Utilization Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually, entirely in cash, in arrears, at the rate of 2.00% per annum, provided that, (i) with respect to any interest payable in respect of the first 48 months after the Utilization Date, the Sino-Ocean Group Borrower will have the right to defer payment of such interest on each portion of the principal amount of the Guaranteed Loan to the corresponding amortization payment date of such portion of the principal amount, and (ii) any interest so deferred will not carry any interest, provided further that (a) in respect of the interest periods from the 25th month to the 36th month after the Utilization Date, interest of at least 0.25% of outstanding principal amount of the Guaranteed Loan shall be paid, and (b) in respect of the interest periods from the 37th month to the 48th month after the Utilization Date, interest of at least 1.5% of outstanding principal amount of the Guaranteed Loan shall be paid.

Scheduled principal repayment

Percentage of principal amount	**Repayment Date**
4.5%	48 months after the Utilization Date
10.5%	60 months after the Utilization Date
10.0%	72 months after the Utilization Date
15.0%	84 months after the Utilization Date
20.0%	96 months after the Utilization Date
20.0%	108 months after the Utilization Date
20.0%	120 months after the Utilization Date

While there are no securities, charges or pledges provided by Sino-Ocean Group in respect of the Guaranteed Loan, Sino-Ocean Group Company, which is also a listed company in Hong Kong, agrees to provide a corporate guarantee for the repayment obligations of the Sino-Ocean Group Borrower under the Guaranteed Loan in favour of the Sino-Ocean Service Lender. The Group will exercise its rights under the loan agreement of the Guaranteed Loan if the Guaranteed Loan is not repaid as agreed or scheduled.

Conditions Precedent

Conditions Precedent of the Framework Agreement include:

(a) all representations, warranties and undertakings made by the Sino-Ocean Connected Persons to the Group under the Framework Agreement being true, accurate and complete in all material aspects;

(b) the substance and form of the Underlying Transaction Agreements having been agreed by the parties to the Framework Agreement; and

(c) all necessary internal and external authorisations and approvals in relation to the transactions contemplated under the Framework Agreement and the Underlying Transaction Agreements having been obtained by the Group (including the approval by the Independent Shareholders as required under the Listing Rules) and the Sino-Ocean Connected Persons.

The Conditions Precedent as set out in sub-paragraphs (b) and (c) above are not waivable, and the Condition Precedent as set out in sub-paragraph (a) above is waivable by the Group.

The parties shall use all reasonable endeavours to procure the above Conditions Precedent be fulfilled on or before 31 December 2025 (or such later date to be agreed between the parties to the Framework Agreement in writing). In any event that any of the Conditions Precedent is not fulfilled (or waived, if applicable) by such date, either party shall have the right to unilaterally terminate the Framework Agreement by written notice to the other party.

Completion

Upon all the Conditions Precedent having been fulfilled (or waived, if applicable), the parties to the Framework Agreement shall procure the signing and taking effect of the Underlying Transaction Agreements to effect the Transaction, whereby the consideration of the Return shall be settled by the Guaranteed Loan in its entirety, and upon and on the date of completion of such settlement, the relevant members of the Group shall execute assets handover confirmation documents with the respective Sino-Ocean Connected Persons to confirm the completion of return of the Target Assets from the Group to the Sino-Ocean Connected Persons. Completion of the transactions as contemplated under the Framework Agreement shall take place on the date of completion of the above matters.

The parties shall use all reasonable endeavours to procure the abovementioned matters be completed on or before 31 December 2025 (or such later date to be agreed between the parties to the Framework Agreement in writing). In any event that any of such matters is not completed by such date for any reasons, either party shall have the right to unilaterally terminate the Framework Agreement and any signed Underlying Transaction Agreements by written notice to the other party, and any loan amount remitted to the Sino-Ocean

Connected Persons or any gains arising from the Framework Agreement and obtained by the Sino-Ocean Connected Persons shall be returned to the Sino-Ocean Service Lender within 30 working days after such date.

INFORMATION ON THE TARGET ASSETS

The Target Assets comprise 2,418 parking spaces located at the Eastern Region in the PRC which are ancillary to development projects owned by the Sino-Ocean Connected Persons, with a total gross floor area of approximately 34,671 sq.m. in aggregate. The Target Assets were previously part of the assets being acquired by the Group from the Sino-Ocean Connected Persons pursuant to the Original Assets Transfer Framework Agreements in 2023.

During the two years ended 31 December 2023 and 2024, there were no net profits (both before and after taxation) attributable to the Target Assets.

As at 30 June 2025, the book value of the Target Assets was approximately RMB239 million.

The original acquisition cost for the Target Assets by the Group from the Sino-Ocean Connected Persons is RMB312,400,500, being the same as the Consideration.

FINANCIAL EFFECT OF THE TRANSACTION ON THE GROUP AND USE OF PROCEEDS

Upon completion of the Transaction, the Group will cease to have any interests in the Target Assets.

Earnings

The Group expects to recognise a loss of approximately RMB174 million arising from the Transaction, calculated based on the difference between the expected present value of the Guaranteed Loan receivables to be recognized by the Group and the carrying amount of the Target Assets on the Group's book, minus the estimated transaction costs.

Assets and liabilities

It is expected that immediately upon completion of the Transaction, the inventories of the Group would decrease by approximately RMB239 million (being the carrying amount of the Target Assets on the Group's book), and the other receivables of the Group would increase by approximately RMB65 million (being the expected present value of the Guaranteed Loan receivables). As a result, total assets of the Group will decrease by approximately RMB174 million. The Transaction will not affect total liabilities of the Group. However, the difference between the expected present value of the Guaranteed Loan receivables to be recognized by the Group and the carrying amount of the Target Assets to be derecognized, together with the estimated transaction costs, will decrease the net asset value of the Group.

The abovementioned financial effects are shown for illustrative purpose only and estimated based on the information currently available, and the actual amount of gain or loss as a result of the Transaction to be recorded by the Group may be different from the above and will be subject to the review and final audit by the auditors of the Group.

Use of proceeds

As the Consideration payable by the Sino-Ocean Connected Persons shall be settled by the Guaranteed Loan to be granted by the Sino-Ocean Service Lender to the Sino-Ocean Group Borrower in its entirety, there will not be any net sales proceeds arising from the Transaction.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Background of the Original Assets Transfer

The Target Assets were transferred to the Group from the relevant Sino-Ocean Connected Persons under the Original Assets Transfer Framework Agreements in 2023. This transfer aimed to expand the Group's parking space trading business, thereby increasing revenue and enhancing overall profitability. As outlined in the Company's circular dated 25 September 2023, owing to the restrictions of transfer policies in the locations where the parking spaces are situated, the transfer of parking spaces of some projects was conducted by way of assignment of rights of use. This was in line with the usual market practice for the transfer of the parking spaces in the PRC at the relevant time. Prior to entering into the Original Assets Transfer Framework Agreements, the Company conducted thorough due diligence, including legal assessments of the Target Assets, to confirm the status of title and ownership rights. As stated in the Company's circular dated 25 September 2023, the title and ownership rights concerning the Target Assets were found to be clear, except for pre-existing charges over the land-use rights of the property project of which 21 parking spaces in Yangzhou form part (in respect of which necessary contractual provisions had been included to protect the interests of the Group). At the relevant time, the Company was unaware of any factors that might hinder the relevant Sino-Ocean Connected Persons from assigning the rights of use of the Target Assets to the Group. The Original Assets Transfer was completed in late 2023 upon which the rights of use of the Target Assets acquired by the Group were recognised as assets of the Group.

Set out below are details of the due diligence works conducted by the Company regarding the Original Assets Transfer Framework Agreements:

(1) an external law firm was engaged to conduct legal due diligence on the target assets under the Original Assets Transfer Framework Agreements. During the period from June 2023 to July 2023, the external law firm conducted legal due diligence on the land use rights, construction status, asset ownership, external leasing and occupation, freezing, mortgage and other encumbrances corresponding to the target assets under the Original Assets Transfer Framework Agreements, and litigation and arbitration involving such assets, through a combination of document review, on-site visits and files review, telephone interviews, and online verification. Given the Original Assets Transfer

was structured as an asset transaction as opposed to an equity transaction, in line with the usual market practice for similar transactions in the PRC, legal due diligence at the relevant time had been focusing on the Target Assets, and extensive due diligence had been conducted against the land use rights, construction status, asset ownership, external leasing and occupation, freezing, mortgage and other encumbrances corresponding to the Target Assets, and litigation and arbitration involving the Target Assets. Among the 2,418 Target Assets, there were pre-existing charges over the land-use rights of the property project of which 21 parking spaces in Yangzhou form part as disclosed in the Company's circular dated 25 September 2023 (such pre-existing charges were subsequently released) whilst the remaining parking spaces were not subject to any pre-existing charges at the relevant time;

(2) during the period from June 2023 to September 2023, an independent professional valuer was engaged to assess the value of the target assets under the Original Assets Transfer Framework Agreements as at 31 May 2023, the benchmark date of which was subsequently updated to 31 July 2023 for the purpose of the circular of the Company dated 25 September 2023. As disclosed in such circular, the independent professional valuer reviewed the background information and other relevant data concerning the target assets under the Original Assets Transfer Framework Agreements (including the Target Assets), reviewed the applicable legal documents, titles/registrations/permits/licenses relating to the right of use of the assets;

(3) during the period from June 2023 to September 2023, an independent financial adviser was engaged to assess the fairness and reasonableness of the transactions as contemplated under the Original Assets Transfer Framework Agreements (including the Original Assets Transfer). In relation to the engagement of the independent professional valuer by the Company, as part of the work done by independent financial adviser it has (i) interviewed the independent professional valuer as to its expertise, valuation experience and independence, (ii) reviewed the terms of engagement and assessed appropriateness of the scope of work, and (iii) reviewed the valuation report prepared by the independent professional valuer, as part of its fairness and reasonableness assessment of the Original Assets Transfer Framework Agreements; and

(4) the Company reviewed, and discussed with the abovementioned external advisers with respect to, the work done for and results of the due diligence regarding the Original Assets Transfer Framework Agreements during the respective periods as mentioned above.

The latest developments and the risks attaching to the Target Assets

In recent years, the overall real estate market in the PRC has faced significant challenges. Real estate developers, including Sino-Ocean Group, have encountered unprecedented liquidity and funding difficulties. Although the central and local governments have successively introduced a series of policies to stabilize the real estate market since the second half of 2024, the real estate market is still struggling to bottom out, and Sino-Ocean Group's sales have further declined and it still faces many difficulties in financing. In this challenging context, the Directors became aware that the Target Assets are subject to freezing and/or enforcement measures (the "**Existing Measures**") or potential freezing and/or enforcement measures (the "**Potential Measures**") due to litigations, disputes, or outstanding debts (the "**Relevant Outstanding Debts**") involving the relevant Sino-Ocean Connected Persons at the level of development project companies as the registered owners, including the Potential Measures resulting from the scrutinization of past transactions of the relevant Sino-Ocean Connected Persons (including the relevant transactions contemplated under the Original Assets Transfer) by relevant authority(ies) or enforcement agency(ies). For the avoidance of doubt, the Relevant Outstanding Debts are onshore debts and hence not subject to the offshore debt restructuring of Sino-Ocean Group (the "**Offshore Debt Restructuring**") that took effect in March 2025.

Please refer to the below table for the number of Target Assets subject to Existing Measures and/or Potential Measures:

Target Assets	Number of Target Assets subject to Existing Measures	Number of Target Assets subject to Potential Measures
21 parking spaces in Yangzhou	21	0
1,027 parking spaces in Nanjing	1,027	1,027*(Note 1)*
1,370 parking spaces in Hangzhou	0	1,370
Total: 2,418 parking spaces		

Note:

(1) Besides Existing Measures imposed by a priority debts creditor, the same 1,027 parking spaces in Nanjing are also subject to Potential Measures resulting from the scrutinization of past transactions of the relevant Sino-Ocean Connected Person (including the relevant transaction in relation to such 1,027 parking spaces contemplated under the Original Assets Transfer) by its bankruptcy administrator.

The Existing Measures over the relevant Target Assets were not caused by the pre-existing charges at the time of the Original Assets Transfer as mentioned in the circular of the Company dated 25 September 2023. The Company confirms that the Existing Measures and circumstances giving rise to the emerging of the Potential Measures appeared only after completion of the Original Assets Transfer as the overall real estate market in the PRC worsened and the relevant Sino-Ocean Connected Person failed to pay its outstanding debts or other liabilities, despite that it was understood that Sino-Ocean Group had been undergoing various measures to solve the outstanding debts at the relevant time.

Among the total of 4,961 parking spaces acquired pursuant to the Original Assets Transfer Framework Agreements, 618 parking spaces had been sold as of 30 June 2025, and 2,418 parking spaces (i.e. the Target Assets) are, or could potentially be, subject to freezing and/or enforcement measures. For the remaining 1,925 parking spaces, to the best knowledge of the Directors, the Group has not received any notices of freezing or enforcement actions as at the Latest Practicable Date.

The Group has been vigorously opposing these freezing and enforcement actions continuously since the notice of such, making significant efforts to protect its legal rights, including filing objections with local authorities. Despite these efforts and the existence of the Group's legal rights, court judgments have favoured priority debts at the level of project companies, being registered owners of the Target Assets. The existence of these issues, which are not expected to be improved within a short period of time or might even be aggravated, has rendered it impractical for the Group to generate cash through the sale of the Target Assets, undermining the original intentions of the Original Assets Transfer. The management has incurred costs, manpower resources and efforts to safeguard the Group's interests, but retaining the Target Assets under the current situation may lead to impairment due to their frozen status and ongoing litigation risks.

Practical solutions reached by the Company and Sino-Ocean Group Company

In light of these circumstances, the Company initiated discussions with Sino-Ocean Group Company, its holding company and controlling Shareholder, to return the Target Assets at the original purchase price to protect the interests of the Company and its Shareholders. After several rounds of negotiations and consideration of various alternatives, the Company concluded that the most viable option was to enter into the Transaction, which involves the cancellation of the Original Assets Transfer and the settlement of the Consideration with the Guaranteed Loan.

Set out below are the various alternatives considered by the Company and Sino-Ocean Group Company:

(1) Swapping the Target Assets for alternative assets owned by Sino-Ocean Group

It was discussed and proposed that the Group returns the Target Assets to the Sino-Ocean Connected Persons at the original purchase price, to be settled by way of the transfer of other parking spaces or alternative assets owned by Sino-Ocean Group. However, given the current market conditions and Sino-Ocean Group's financial status, this approach was deemed undesirable since it could lead to similar issues concerning the Target Assets.

(2) Retaining the Target Assets and continuing necessary legal actions

It was considered that the Group retains the Target Assets and continues necessary legal actions in order to protect the Group's legal rights. As mentioned above, the Group has been adopting necessary legal actions to vigorously oppose the Existing Measures on the relevant Target Assets and has made significant efforts to protect its legal rights, including filing objections with local authorities. Despite these efforts and the existence of the Group's legal rights, court judgments have favoured priority debts at the level of project companies, being registered owners of the relevant Target Assets. Given that (a) the existence of these issues, which are not expected to be improved within a short period of time or might even be aggravated, has rendered it impractical for the Group to generate cash through the sale of the Target Assets, undermining the original intentions of the Original Assets Transfer, (b) the Group has already incurred costs, manpower resources and efforts to safeguard its interests, (c) retaining the Target Assets under the current situation may lead to impairment due to their frozen status and ongoing litigation risks, and as disclosed in the valuation report of the Target Assets as set out in Appendix II to this circular, the independent professional valuer engaged by the Company has ascribed no commercial value to the Target Assets in the event that the Group loses its rights and interests in the Target Assets and will no longer be able to sell, assign or lease such assets to third parties due to the legal issues associated therewith, and (d) as advised by the Company's PRC legal adviser, the success rates of further legal actions against the Existing Measures, or potential freezing and/or enforcement actions of similar nature against the Target Assets which are subject to the Existing Measures, would be low, the Company considers that it would not be in the interests of the Company and its Shareholders as a whole to spend any further costs, manpower resources and efforts to pursue this option.

(3) Alternative repayment options for settlement of the Consideration

Immediate repayment or a shorter repayment schedule for settlement of the Consideration by the Sino-Ocean Connected Persons was considered with a view to accelerating the cash recovery by the Group upon completion of the Return. The Company understood that Sino-Ocean Group's available cash resources were earmarked for critical operations related to "guaranteed delivery of houses" and "guaranteed operations" policies in the PRC. Given the prevailing conditions in the PRC real estate market and Sino-Ocean Group's liquidity challenges, immediate cash recovery upon completion of the Return or shorter repayment schedule would be impractical. It is also believed that the achievement of initiatives of "guaranteed delivery of houses" and "guaranteed operations" by Sino-Ocean Group could potentially benefit the Group ultimately as part of Sino-Ocean Group and as long term service provider to Sino-Ocean Group. In contrast, the Guaranteed Loan offers a more feasible solution for both parties. In formulating the terms of the Guaranteed Loan, the parties have primarily considered terms similar to those of the new loan under the Offshore Debt Restructuring of Sino-Ocean Group, featuring an extended repayment term of up to ten years with an interest rate of 2.00% per annum.

(4) Settlement of outstanding payables by the Sino-Ocean Connected Persons to eliminate the risks of Existing Measures or Potential Measures

It was discussed and proposed that the relevant Sino-Ocean Connected Persons at the level of development project companies as the registered owners of the Target Assets settle the outstanding payables in order to release the Existing Measures, or eliminate the risks of Potential Measures, against the Target Assets. However, similar to option (3) above, such option would be impractical given the earmarking of Sino-Ocean Group's available cash resources for critical operations related to initiatives of "guaranteed delivery of houses" and "guaranteed operations", the prevailing conditions in the PRC real estate market and Sino-Ocean Group's liquidity challenges.

After careful evaluations of merits and limitations of the Transaction and various alternatives, the Company concluded that the most viable option was to enter into the Transaction, which (i) allows the Group to mitigate the risks associated with the Target Assets, aiming to protect the interests of the Company and its Shareholders, and (ii) preserves the Group's rights to recover the original consideration through the Guaranteed Loan, enhancing cash flow predictability without incurring additional costs, manpower resources and efforts.

Reasons and benefits of the Transaction to the Group

This Transaction allows the Group to mitigate the risks associated with the Target Assets, avoiding impairment and aiming to protect the interests of the Company and its Shareholders. As mentioned above, it is also believed that the achievement of initiatives of "guaranteed delivery of houses" and "guaranteed operations" by Sino-Ocean Group could potentially benefit the Group ultimately as part of Sino-Ocean Group and as long term service provider to Sino-Ocean Group. Financially, converting the Target Assets into the Guaranteed Loan shifts the Group's position from holding inventory that cannot generate cash to the Group and might be subject to impairment to a receivable of RMB312,400,500 (equivalent to the original purchase price) with a predefined repayment schedule and stable interest income, supported by a corporate guarantee from Sino-Ocean Group Company. This transition enhances cash flow predictability.

In deciding that the Consideration will be settled by way of the Guaranteed Loan, careful assessments of the credit profiles of the Sino-Ocean Group Borrower and Sino-Ocean Group Company were made by the Group based on the latest available information and the latest progress of its debt restructuring, in particular:

(i) the substantial progress made by Sino-Ocean Group in managing its debts, including that (a) the Offshore Debt Restructuring having become effective in March 2025, reducing Sino-Ocean Group's leverage by approximately US$4 billion, which improved its asset-liability structure and alleviated its offshore liquidity pressures, and (b) in respect of its onshore bonds, as disclosed in the announcement of Sino-Ocean Group Company dated 1 August 2025, it is preliminarily planned to provide an overall restructuring plan to holders of the existing onshore corporate bonds and interbank directed debt financing instruments of Sino-Ocean Group;

(ii) as disclosed in the circular of Sino-Ocean Group Company dated 1 November 2024, based on the business plan prepared by Sino-Ocean Group in conjunction with the Offshore Debt Restructuring and on the assumption that the Offshore Debt Restructuring takes effect and Sino-Ocean Group continues to operate on a going concern basis and presents Sino-Ocean Group's projected annual cash inflows and outflows during the forecast period from January 2024 to December 2034, Sino-Ocean Group Company expects to generate cash during the above forecast period to repay the new loan and new notes issued pursuant to the Offshore Debt Restructuring. It was also stated in the same circular that the issue of the mandatory convertible bonds by Sino-Ocean Group Company would also increase the capital base through the issue of new shares of Sino-Ocean Group Company and help it achieve a sustainable capital structure;

(iii) as disclosed in the 2025 interim results announcement of Sino-Ocean Group Company dated 28 August 2025, despite a lower level of revenue of approximately RMB6.2 billion and an operating loss of approximately RMB19.2 billion for the first half of 2025, Sino-Ocean Group has recorded a profit attributable to shareholders of approximately RMB10.2 billion, mainly resulting from gains from the completion of the Offshore Debt Restructuring. Sino-Ocean Group had turned around from a deficit of approximately RMB2.5 billion as at 31 December 2024 to a net assets of approximately RMB8.2 billion as at 30 June 2025;

(iv) as reflected in the latest unaudited operating statistics published by Sino-Ocean Group Company on 11 September 2025, Sino-Ocean Group Company, together with its subsidiaries, joint ventures and associates, achieved contracted sales of approximately RMB1.70 billion in August 2025 and accumulated contracted sales of approximately RMB16.44 billion from 1 January 2025 to 31 August 2025; and

(v) the supportive policies introduced by the PRC government to stabilize the real estate market.

The Board considered the Guaranteed Loan is the most viable option for both the Group and Sino-Ocean Group.

As mentioned above, in formulating the terms of the Guaranteed Loan, the parties have primarily considered terms similar to those of the new loan under the Offshore Debt Restructuring, featuring an extended repayment term of up to ten years with an interest rate of 2.00% per annum. Discussions with Sino-Ocean Group Company indicated that the Guaranteed Loan represents a more feasible option for both parties under the current circumstances.

The Group has put in place a series of internal control measures to safeguard its interest of the Guaranteed Loan and to ensure its timely settlement. Such internal control measures have been designed to gather timely information for the monitoring of the status and risks of the Guaranteed Loan, Sino-Ocean Group and the Sino-Ocean Group Borrower. These include:

(i) the capital market department of the Group will gather any published information and relevant news of Sino-Ocean Group on a weekly basis, for example the monthly operating statistics and progress of ongoing debt restructuring, and update the situation of Sino-Ocean Group to the management team of the Group (the "**Management Team**") on a monthly basis, and as and when necessary, in particular where there are major updates;

(ii) the finance department of the Group (the "**Finance Department**") will obtain and review the management accounts and/or financial statements of the Sino-Ocean Group Borrower on a semi-annual basis as well as the then latest financial position and performance of Sino-Ocean Group as soon as practicable after the publication of the interim results and annual results of Sino-Ocean Group, and report back to the Management Team;

(iii) the then status of the Guaranteed Loan, Sino-Ocean Group and the Sino-Ocean Group Borrower will be reported to the Board, including the independent non-executive Directors at least on a semi-annual basis;

(iv) the Company shall establish channels of communication with the relevant personnel of Sino-Ocean Group and the Sino-Ocean Group Borrower to gain an understanding on identified matters which may adversely affect the repayment under the Guaranteed Loan and follow up with them on the solution(s) thereof;

(v) the Finance Department shall monitor the timing of the scheduled repayment under the Guaranteed Loan, and to follow up promptly on overdue repayment, if any, to ensure that the repayments to be made by the Sino-Ocean Group Borrower are in accordance with the repayment schedule under the Guaranteed Loan; and

(vi) after evaluation of the commercial merits and limitations to the Group as a whole, the Company will take appropriate actions, legal or otherwise, in a timely manner to resolve any long overdue repayment of the Sino-Ocean Group Borrower with a view to protecting the interests of the Company and its Shareholders as a whole.

In respect of cash remittance of the loan amount by the Group to the relevant Sino-Ocean Connected Persons to fund the Consideration payable to the relevant members of the Group pursuant to the Underlying Transaction Agreements, such fund transfer arrangements are required to be conducted in accordance with the relevant laws and regulations of the PRC. Additionally, the Company and Sino-Ocean Group Company have agreed that a UKey (i.e. a smart security password key) in respect of each of the bank accounts of the relevant Sino-Ocean Connected Persons that the relevant funds will be deposited into will be given to the Group such that funds can only be transmitted with both UKeys held by the relevant Sino-Ocean Connected Persons and the Group respectively to ensure that the fund transfer under the Guaranteed Loan will not be withdrawn for purposes other than remittance back to the bank accounts of the relevant members of the Group, safeguarding the Group's interests.

Despite that a loss is expected as a result of the Transaction, the Company sees it as a necessary measure to address the risks associated with the Target Assets while preserving rights to recover the original consideration through the Guaranteed Loan. Financially, the Transaction is expected to decrease the inventory balance that cannot generate cash, substituting it with a receivable that has a defined repayment schedule and stable interest income, with no net cash outflow and no material adverse effect on the Group's working capital.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was in any way materially interested in the Transaction. Nevertheless, each of the Abstained Directors has abstained from voting on the Board resolutions approving the Transaction by virtue of his directorship and/or senior position in Sino-Ocean Group Company and/or its associates (other than the Group).

Taking into consideration of the aforesaid, the Directors (including all the independent non-executive Directors whose views are set forth in the letter from the Independent Board Committee but excluding the Abstained Directors) are of the view that the terms of the Framework Agreement and the transactions as contemplated thereunder, which were determined after arm's length negotiations between the parties thereto, are on normal commercial terms, and are fair and reasonable, and although the entering into of the Framework Agreement was not made in the ordinary and usual course of business of the Group, it is in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company and the Group is a comprehensive property management service provider with extensive geographic coverage in the PRC. The Group's property management services cover a wide range of property types, including residential communities, commercial properties (such as shopping malls and office buildings) and public and other properties (such as hospitals, schools, government buildings and public service facilities). In addition to property management services, the Group provides a variety of community value-added services to property owners and residents of the properties under its management, including community asset value-added services, community living services and property brokerage services, and value-added services to non-property owners, including pre-delivery services, consultancy services and property engineering services to property developers and other property management companies.

INFORMATION ON SINO-OCEAN GROUP COMPANY AND SINO-OCEAN GROUP

Sino-Ocean Group Company, the holding company of the Company and a controlling Shareholder, is a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business of Sino-Ocean Group Company is investment holding.

Sino-Ocean Group is a leading large-scale property developer with developments in key economic regions in the PRC, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region and the Western Region. The core businesses of Sino-Ocean Group are development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate, real estate fund, etc., forming a unique advantage in the field of asset-light agent construction.

LISTING RULES IMPLICATIONS

Sino-Ocean Group Company is the holding company of the Company and a controlling Shareholder, and thus a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transaction in aggregate exceed(s) 5%, the Transaction is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as one or more of the applicable percentage ratios in respect of the Transaction in aggregate exceed(s) 25% but are all less than 75%, the Transaction constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders in respect of the Framework Agreement and the transactions as contemplated thereunder, and to advise the Independent Shareholders on how to vote at the EGM. A letter from the Independent Board Committee is set out on page 25 of this circular.

Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement and the transactions as contemplated thereunder. A letter from the Independent Financial Adviser is set out on pages 26 to 59 of this circular.

BOOK CLOSURE FOR EGM ATTENDANCE

In order to ascertain the right to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 27 October 2025 to Friday, 31 October 2025 (both days inclusive) during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 24 October 2025.

EGM

A notice convening the EGM to be held at Meeting Room, 3rd Floor, Tower A, Ocean International Center, 56 Dongsihuanzhonglu, Chaoyang District, Beijing, PRC on Friday, 31 October 2025 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. At the EGM, ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Framework Agreement and the transactions as contemplated thereunder by way of poll.

A form of proxy for use at the EGM is enclosed to this circular and is also published on the websites of the Company (www.sinooceanservice.com) and the Stock Exchange (www.hkexnews.hk). If you intend to appoint a proxy to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e., not later than 10:00 a.m. on Wednesday, 29 October 2025 (Hong Kong Time)), 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 should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

VOTING AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings 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.

In the case of an equality of votes on a poll, the chairman of the meeting shall, subject to the Company's articles of association, be entitled to casting vote in addition to any other vote he may have.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Shine Wind and its associates (which held 777,882,500 Shares in aggregate, representing approximately 65.70% of the total number of issued Shares, as at the Latest Practicable Date), none of the other Shareholders has a material interest in the transactions as contemplated under the Framework Agreement and is required to abstain from voting on the relevant resolution at the EGM.

RECOMMENDATION

The Directors (including all the independent non-executive Directors whose views are set forth in the letter from the Independent Board Committee but excluding the Abstained Directors) consider that the terms of the Framework Agreement and the transactions as contemplated thereunder, which were determined after arm's length negotiations between the parties thereto, are on normal commercial terms, and are fair and reasonable, and although the entering into of the Framework Agreement was not made in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors (including all the independent non-executive Directors but excluding the Abstained Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Framework Agreement and the transactions as contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee; (ii) the letter from the Independent Financial Adviser; and (iii) the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Sino-Ocean Service Holding Limited
YANG Deyong
Joint Chairman

The following is the full text of the letter from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular, setting out its recommendation to the Independent Shareholders in respect of the Framework Agreement and the transactions as contemplated thereunder.

遠洋服務
SINO-OCEAN SERVICE

15 October 2025

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE TRANSACTION

We refer to the circular of the Company dated 15 October 2025 (the "**Circular**") of which this letter forms a part. Terms defined in the Circular shall bear the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to advise you in respect of the Framework Agreement and the transactions as contemplated thereunder. Red Sun Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

Having taken into account the advice of the Independent Financial Adviser, we are of the opinion that the Framework Agreement and the transactions as contemplated thereunder are on normal commercial terms, fair and reasonable. Although the entering into of the Framework Agreement was not made in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Framework Agreement and the transactions as contemplated thereunder.

We also draw the attention of the Independent Shareholders to (i) the letter from the Board; (ii) the letter from the Independent Financial Adviser; and (iii) the additional information set out in the appendices to the Circular.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Dr. GUO Jie	**Mr. HO Chi Kin Sammy**	**Mr. LEUNG Wai Hung**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and Independent Shareholders in relation to the Framework Agreement and the transactions as contemplated thereunder for inclusion in this circular.

红日资本有限公司
RED SUN CAPITAL LIMITED

Room 2703, 27/F,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong

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

15 October 2025

To: The Independent Board Committee and the Independent Shareholders of Sino-Ocean Service Holding Limited

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE TRANSACTION

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the Framework Agreement and the transactions contemplated respectively thereunder, details of which are contained in the letter from the Board (the "**Letter from the Board**") as set out in the circular to the Shareholders dated 15 October 2025 (the "**Circular**"). Unless otherwise specified, terms defined in the Circular have the same meanings in this letter.

As set out in the Letter from the Board, on 16 July 2025, the Company (on behalf of each relevant member of the Group) and Sino-Ocean Group Company (the holding company of the Company and a controlling Shareholder, on behalf of each relevant Sino-Ocean Connected Person) entered into the Framework Agreement (which was subsequently amended and supplemented by the supplemental agreement dated 10 October 2025), pursuant to which the Group and the Sino-Ocean Connected Persons have conditionally agreed to the return by the Group to the Sino-Ocean Connected Persons of the Target Assets. The Target Assets to be returned comprises 2,418 parking spaces

located in the PRC, which form part of the assets transferred by the Sino-Ocean Connected Persons to the Group pursuant to the Original Assets Transfer Framework Agreements. The Return will be effected by way of cancellation of the Original Assets Transfer, and the original purchase price of RMB312,400,500 of the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by the Guaranteed Loan owing by the Sino-Ocean Group Borrower (being a designated wholly-owned subsidiary of Sino-Ocean Group Company) to the Sino-Ocean Service Lender, with Sino-Ocean Group Company acting as the guarantor to the Guaranteed Loan.

As at the Latest Practicable Date, Sino-Ocean Group Company is the holding company of the Company and a controlling Shareholder, and thus a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transaction in aggregate exceed(s) 5%, the Transaction is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as one or more of the applicable percentage ratios in respect of the Transaction in aggregate exceed(s) 25% but are all less than 75%, the Transaction constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

II. THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Guo Jie, Mr. Ho Chi Kin Sammy and Mr. Leung Wai Hung, has been established to advise the Independent Shareholders in respect of the Framework Agreement and the transactions contemplated respectively thereunder. We have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Our appointment has been approved by the Independent Board Committee. Our role as the independent financial adviser is to give our recommendation to the Independent Board Committee and the Independent Shareholders as to whether the transactions as contemplated under the Framework Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote in respect of the relevant resolution(s) to approve the transactions contemplated under the Framework Agreement at the EGM.

III. OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, Sino-Ocean Group Company or any relevant parties in connection with the Framework Agreement. Accordingly, we are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the transactions contemplated under the Framework Agreement.

In the last two years, save for our appointment as the independent financial adviser for (i) the major and connected transaction in relation to the acquisition of assets, details of which are set out in the circular of the Company dated 25 September 2023; and (ii) the connected transaction in relation to the acquisition of parking spaces in the PRC, details of which are set out in the announcement of the Company dated 22 December 2023, we have not acted as an independent financial adviser to the independent board committee of the Company and/or the Independent Shareholders.

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

IV. BASIS OF OUR ADVICE

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the "**Management**"). We have assumed that all information, representations and opinions contained or referred to in the Circular or made, given or provided to us by the Company, the Directors and the Management, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Circular have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that no material facts have been omitted from the information provided and referred to in the Circular.

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

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

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

V. PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Information of the Group

As set out in the Letter from the Board, the Group is primarily engaged in, among others, the provision of property management services, community value-added services and value-added services to non-property owners, cover a wide range of property types in the PRC. Further details of which are set out in the Letter from the Board.

Set out below is a summary of the audited consolidated statements of financial position as at 31 December 2023 and 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**") and the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

Summary of the consolidated statement of comprehensive income

	For the six months ended 30 June		**For the year ended 31 December**	
	2025	**2024**	**2024**	**2023**
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (audited)	*RMB'000* (audited)
Revenue	**1,385,781**	**1,436,013**	**2,840,029**	**3,133,209**
— Property management and commercial operational services	1,031,172	1,052,689	2,083,007	2,205,842
— Community value-added services	248,525	243,798	489,250	544,404
— Value-added services to non-property owners	106,084	139,526	267,772	382,963
(Loss)/profit and total comprehensive income for the period/year	(309,826)	60,216	28,590	40,001
(Loss)/profit and total comprehensive income for the period/year attributable to owners of the Company	(310,106)	59,340	28,915	42,148

For the six months ended 30 June 2025 compared to the six months ended 30 June 2024

Revenue of the Group was broadly stable at approximately RMB1,436.0 million for the six months ended 30 June 2024 as compared to approximately RMB1,385.8 million for the six months ended 30 June 2025. The largest revenue contributor was revenue from the Group's property management services, which represented approximately 74.4% of the Group's total revenue for the six months ended 30 June 2025, being approximately RMB1,031.2 million compared to approximately RMB1,052.7 million for the six months ended 30 June 2024. The slight decrease was the results of the reduction in the Group's total gross floor area ("**GFA**") under management as it actively withdrew from inefficient projects.

We also noted that the Group's revenue generated from community value-added services amounted to approximately RMB248.5 million, representing an increase of approximately RMB4.7 million or approximately 1.9% compared to the six months ended 30 June 2024 of approximately RMB243.8 million. Such increase was mainly attributable to the increase in revenue from property brokerage services.

Lastly, revenue from value-added services to non-property owners amounted to approximately RMB106.1 million, representing a decrease of approximately RMB33.4 million or approximately 23.9% compared to the six months ended 30 June 2024 of approximately RMB139.5 million. The aforesaid decrease was mainly attributable to (i) revenue from pre-delivery services which decreased by approximately 37.4% to approximately RMB31.7 million for the six months ended 30 June 2025 from approximately RMB50.6 million for the six months ended 30 June 2024, which was mainly attributable to the decrease in pre-sale activities in the PRC real estate market; and (ii) revenue from property engineering services, which decreased by approximately 22.2% to approximately RMB49.1 million for the six months ended 30 June 2025 from approximately RMB63.1 million for the six months ended 30 June 2024, which was mainly attributable to the proactive withdrawal from projects with unsatisfactory payment collections.

The Group recorded loss attributable to owners of the Company of approximately RMB310.1 million for the six months ended 30 June 2025 compared to the profit attributable to owners of the Company for the six months ended 30 June 2024 of approximately RMB59.3 million. The loss attributable to owners of the Company was mainly attributable to the continuous adverse impact of the real estate market, and the overall real estate market downturn, in the PRC, which led to (i) the lengthening of the settlement cycle of relevant businesses, which in turn led to an increase in the provision for impairment loss on trade and other receivables; and (ii) increases in the provision for impairment losses on inventories and goodwill.

For the year ended 31 December 2024 compared to the year ended 31 December 2023

The Group recorded a decrease in revenue by approximately RMB293.2 million or approximately 9.4%, from approximately RMB3,133.2 million for the year ended 31 December 2023 to approximately RMB2,840.0 million for the year ended 31 December 2024.

Revenue from the Group's property management and commercial operational services amounted to approximately RMB2,083.0 million, which accounted for approximately 73.3% of the Group's total revenue for the year ended 31 December 2024. The decrease in revenue from the property management and commercial operational services was primarily attributable to the decline in the total GFA under management of the Group, which amounted to approximately 92.5 million square metres ("**sq.m.**") for the year ended 31 December 2024, compared to approximately 101.0 million sq.m. for the year ended 31 December 2023.

We also noted that the Group's revenue generated from community value-added services amounted to approximately RMB489.3 million, representing a decrease of approximately RMB55.1 million or approximately 10.1% compared to the year ended 31 December 2023 of approximately RMB544.4 million. Such decrease was mainly attributable to the overall economic situation and the downturn in the PRC real estate market, leading to a decrease in revenue from property brokerage services and community asset value-added services, which was partially offset by the increase in revenue from community living services as the Group has further developed the online store and launched pilot businesses such as convenience store during the year ended 31 December 2024.

Lastly, revenue from value-added services to non-property owners amounted to approximately RMB267.8 million, representing a decrease of approximately RMB115.2 million or approximately 30.1% compared to the year ended 31 December 2023 of approximately RMB383.0 million. The aforesaid decrease was mainly attributable to (i) the decrease in revenue from pre-delivery services by approximately 44.1% to approximately RMB86.6 million for the year ended 31 December 2024 from approximately RMB154.8 million for the year ended 31 December 2023, which was mainly attributable to the decrease in pre-sale activities in the real estate market; and (ii) the decrease in revenue from consultancy services by approximately 37.0% to approximately RMB63.1 million for the year ended 31 December 2024 from approximately RMB100.2 million for the year ended 31 December 2023, which was mainly attributable to the Group's proactive withdrawal from consultancy services with a low rate of return.

It is also noted that profit attributable to owners of the Company decreased by approximately RMB13.2 million or approximately 31.4%, from approximately RMB42.1 million for the year ended 31 December 2023 to approximately RMB28.9 million for the year ended 31 December 2024. Such decrease was mainly due to (i) the challenging operating environment has led to a decline in both revenue and gross profit margin of the Group; and (ii) the Group recorded a one-off gain on disposal of investment in a joint venture during the year ended 31 December 2023.

Summary of the consolidated statement of financial position as extracted from the 2024 Annual Report and 2025 Interim Report

	As at 30 June 2025	**As at 31 December 2024**	**2023**
	RMB'000 (unaudited)	*RMB'000* (audited)	*RMB'000* (audited)
Total assets	**3,761,511**	**4,023,075**	**4,039,180**
Trade and note receivables	1,084,080	1,038,241	1,123,025
Intangible assets	492,066	668,853	698,976
Prepayments and other receivables	475,283	522,631	525,020
Cash and cash equivalents	731,754	761,144	651,542
Total liabilities	**1,935,174**	**1,886,460**	**1,893,470**
Trade and other payables	1,285,182	1,301,162	1,275,063
Contract liabilities	567,722	494,117	518,064
Deferred income tax liabilities	42,656	46,074	52,912
Equity attributable to the owners of the Company	**1,786,161**	**2,096,267**	**2,099,197**

Note: For the avoidance of doubt, only selected major asset and liability components are disclosed in the table above.

Financial position as at 31 December 2024 and 30 June 2025

Based on the 2025 Interim Report, total assets of the Group as at 30 June 2025 amounted to approximately RMB3,761.5 million, which primarily comprised of (i) trade and note receivables, which amounted to approximately RMB1,084.1 million as at 30 June 2025, representing an increase of approximately RMB45.9 million as compared to approximately RMB1,038.2 million as at 31 December 2024; (ii) intangible assets which amounted to approximately RMB492.1 million as at 30 June 2025, representing a decrease of approximately RMB176.8 million as compared to approximately RMB668.9 million as at 31 December 2024; (iii) prepayments and other receivables, which amounted to approximately RMB475.3 million as at 30 June 2025, representing a decrease of approximately RMB47.3 million as compared to approximately RMB522.6 million as at 31 December 2024; and (iv) cash and cash equivalents of approximately RMB731.8 million as at 30 June 2025, representing a decrease of approximately RMB29.3 million as compared to approximately RMB761.1 million as at 31 December 2024.

With reference to the 2025 Interim Report, total liabilities of the Group as at 30 June 2025 amounted to approximately RMB1,935.2 million, which primarily comprised of (i) trade and other payables, which amounted to approximately RMB1,285.2 million as at 30 June 2025, representing a decrease of approximately RMB16.0 million as compared to approximately RMB1,301.2 million as at 31 December 2024; (ii) contract liabilities, which amounted to approximately RMB567.7 million as at 30 June 2025, representing an increase of approximately RMB73.6 million as compared to approximately RMB494.1 million as at 31 December 2024; and (iii) deferred income tax liabilities, which amounted to approximately RMB42.7 million as at 30 June 2025, representing a decrease of approximately RMB3.4 million as compared to approximately RMB46.1 million as at 31 December 2024.

The equity attributable to owners of the Company of approximately RMB1,786.2 million as at 30 June 2025, representing a decrease of approximately RMB310.1 million as compared to approximately RMB2,096.3 million as at 31 December 2024.

Financial position as at 31 December 2023 and 2024

Based on the 2024 Annual Report, total assets of the Group as at 31 December 2024 amounted to approximately RMB4,023.1 million, which primarily comprised of (i) trade and note receivables, which amounted to approximately RMB1,038.2 million as at 31 December 2024, representing a decrease of approximately RMB84.8 million as compared to approximately RMB1,123.0 million as at 31 December 2023; (ii) prepayments and other receivables, which amounted to approximately RMB522.6 million as at 31 December 2024, representing a decrease of approximately RMB2.4 million as compared to approximately RMB525.0 million as at 31 December 2023, which mainly include prepayment to suppliers, other receivables and prepaid tax; (iii) intangible assets which amounted to approximately RMB668.9 million as at 31 December 2024, representing a decrease of approximately RMB30.1 million as compared to approximately RMB699.0 million as at 31 December 2023, primarily attributable to amortisation and goodwill impairment losses during the year; and (iv) cash and cash equivalents of approximately RMB761.1 million as at 31 December 2024, representing an increase of approximately RMB109.6 million as compared to approximately RMB651.5 million as at 31 December 2023.

With reference to the 2024 Annual Report, total liabilities of the Group as at 31 December 2024 amounted to approximately RMB1,886.5 million, which primarily comprised of (i) trade and other payables, which amounted to approximately RMB1,301.2 million as at 31 December 2024, representing an increase of approximately RMB26.1 million as compared to approximately RMB1,275.1 million as at 31 December 2023, which primarily comprised of trade payables due to external third parties, and other payables in relation to deposits and amounts collected on behalf of property owners; (ii) contract liabilities, which amounted to approximately RMB494.1 million as at 31 December 2024, representing a decrease of approximately RMB24.0 million as compared to approximately RMB518.1 million as at 31 December 2023, which was in line with the decrease in revenue; and (iii) deferred income tax liabilities, which amounted to approximately RMB46.1 million as at 31 December 2024, representing a decrease of approximately RMB6.8 million as compared to approximately RMB52.9 million as at 31 December 2023.

The equity attributable to owners of the Company as at 31 December 2023 and 2024 remained largely stable at approximately RMB2,099.2 million as at 31 December 2023 and approximately RMB2,096.3 million as at 31 December 2024.

2. Information on the Target Assets

The Target Assets comprise 2,418 parking spaces located at the Eastern Region in the PRC which are ancillary to development projects owned by Sino-Ocean Connected Persons, with a total gross floor area of approximately 34,671 sq.m. in aggregate. The Target Assets were previously part of the assets being acquired by the Group from the Sino-Ocean Connected Persons pursuant to the Original Assets Transfer Framework Agreements in 2023.

As set out in the Letter from the Board, there were no net profits (both before and after taxation) attributable to the Target Assets during the two years ended 31 December 2023 and 2024.

As at 30 June 2025, the book value of the Target Assets, being recorded under "inventories" as part of the Group's current assets on its consolidated statement of financial position, was approximately RMB239 million. The original acquisition cost for the Target Assets by the Group from the Sino-Ocean Connected Persons is RMB312,400,500, being the same as the Consideration.

3. Information of Sino-Ocean Group and Sino-Ocean Group Company

As set out in the Letter from the Board, Sino-Ocean Group Company, the holding company of the Company and a controlling Shareholder, is a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business of Sino-Ocean Group Company is investment holding. As set out in the announcement of Sino-Ocean Group Company dated 27 March 2025, the offshore debt restructuring of Sino-Ocean Group Company became effective on 27 March 2025 (the "**SOG Debt Restructuring**"). For further information, please refer to the sub-section headed "6.4 Our analysis on the background of Sino-Ocean Group Company, the SOG Debt Restructuring and its effects on the terms of the Transaction" in this letter below.

Sino-Ocean Group is a leading large-scale property developer with developments in key economic regions in the PRC, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region and the Western Region. The core businesses of the Sino-Ocean Group are development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate, real estate fund, etc., forming a unique advantage in the field of asset-light agent construction.

4. Reasons for and benefits of the Transaction

The following reasons for and benefits of the Transaction have been extracted and summarised from the Letter from the Board above.

The Target Assets were transferred to the Group from the relevant Sino-Ocean Connected Persons under the Original Assets Transfer Framework Agreements in 2023. The transfer aimed to expand the Group's parking space trading business, thereby increasing revenue and enhancing overall profitability. However, as outlined in the Company's circular dated 25 September 2023, owing to the restrictions of transfer policies in the locations where the parking spaces are situated, the transfer of parking spaces of some projects was conducted by way of assignment of rights of use. This was in line with the usual market practice for the transfer of the parking spaces in the PRC at the relevant time.

The relevant details of the due diligence work conducted by the Company regarding the Original Assets Transfer Framework Agreements at the relevant time, including (i) an external law firm was engaged to conduct legal due diligence on the target assets under the Original Assets Transfer Framework Agreements. During the period from June 2023 to July 2023, the external law firm conducted legal due diligence on the land use rights, construction status, asset ownership, external leasing and occupation, freezing, mortgage and other encumbrances corresponding to the target assets under the Original Assets Transfer Framework Agreements, and litigation and arbitration involving such assets, through a combination of document review, on-site visits and files review, telephone interviews, and online verification; (ii) during the period from June 2023 to September 2023, an independent professional valuer was engaged to assess the value of the target assets under the Original Assets Transfer Framework Agreements at the stated valuation date, whose work included review of the background information and other relevant data concerning the target assets under the Original Assets Transfer Framework Agreements (including the Target Assets), the applicable legal documents, titles/registrations/permits/licenses relating to the right of use of the assets; (iii) during the period from June 2023 to September 2023, an independent financial adviser was engaged to assess the fairness and reasonableness of the transactions as contemplated under the Original Assets Transfer Framework Agreements (including the Original Assets Transfer); and (iv) the Company reviewed and discussed with the abovementioned external advisers with respect to the work done for and results of the due diligence regarding the Original Assets Transfer Framework Agreements during the respective periods as mentioned above. The Board is of the view that the Company had conducted sufficient due diligence work on the Target Assets at the material time and we considered the aforesaid due diligence work conducted by the Company in this connection was not atypical of common market practice for transactions of similar nature. Further details of which are set out in the Letter from the Board.

The latest developments and the risks attaching to the Target Assets

Subsequent to the Original Assets Transfer, given the circumstances as set out in the Letter from the Board, the Directors became aware that the Target Assets are subject to freezing and/or enforcement measures (i.e. the Existing Measures) or potential freezing and/or enforcement measures (i.e. the Potential Measures) due to litigations, disputes, or outstanding debts involving the relevant Sino-Ocean Connected Persons at the level of development project companies as the registered owners, including the Potential Measures resulting from the scrutinization of past transactions of the relevant Sino-Ocean Connected Persons (including the relevant transactions contemplated under the Original Assets Transfer) by relevant authority(ies) or enforcement agency(ies) (together the "**Issues**"). For details, please refer to the table as set out in the Letter from the Board for the number of Target Assets subject to Existing Measures and/or Potential Measures.

The Group has opposed these freezing and enforcement actions, making efforts to protect its legal rights, including filing objections with local authorities. Despite these efforts and the existence of the Group's legal rights, court judgments have favoured priority debts at the level of project companies, being registered owners of the Target Assets.

The existence of these issues, which are not expected to be improved within a short period of time or might even be aggravated, has rendered it impractical for the Group to generate cash through the sale of the Target Assets, undermining the original intentions of the Original Assets Transfer. The Management has incurred costs, manpower resources and efforts to safeguard the Group's interests, but retaining the Target Assets under the current situation may lead to impairment due to their frozen status and the ongoing litigation risks.

Practical solutions reached by the Company and Sino-Ocean Group Company

Against this backdrop, the Company initiated discussions with Sino-Ocean Group Company, its holding company and controlling shareholder, to return the Target Assets at the original purchase price to protect the interests of the Company and its Shareholders. After several rounds of negotiations and consideration of various alternatives, including (i) swapping the Target Assets for alternative assets owned by Sino-Ocean Group; (ii) retaining the Target Assets and continuing necessary legal actions; (iii) alternative repayment options for settlement of the Consideration; and (iv) settlement of outstanding payables by the Sino-Ocean Connected Persons to eliminate the risks of Existing Measures or Potential Measures, details of which are set out in Letter from the Board, the Company concluded that the most viable option was to enter into a Transaction, which involves the cancellation of the Original Assets Transfer and replacing the Consideration with a Guaranteed Loan. In deciding that the Consideration will be settled by way of the Guaranteed Loan, assessments of the credit profiles of the

Sino-Ocean Group Borrower and Sino-Ocean Group Company were made by the Group based on the latest available information and the latest progress of its debt restructuring, details of which are set out under the Letter from the Board.

The Board is of the view that the Transaction allows the Group to mitigate the risks associated with the Target Assets, avoiding impairment and aiming to protect the interests of the Company and its Shareholders.

The Company sees the Transaction as a necessary measure to address the risks associated with the Target Assets while preserving rights to recover the original consideration through the Guaranteed Loan. Financially, the Transaction is expected to decrease the inventory balance that cannot generate cash, substituting it with a receivable that has a defined repayment schedule and stable interest income, with no net cash outflow and no material adverse effect on the Group's working capital. Additional details on the reasons for the Transaction are set out under the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" in the Letter from the Board.

Having considered the factors above, in particular, (i) the information and background of the Original Assets Transfer, the Issues and status of the Target Assets; (ii) the Company has attempted to but not been able to resolve the Issues and the existence of the Issues negatively impacted the Group's ability to generate cash from rental or resale of the affected Target Assets and makes it impracticable for the Group to hold onto the Target Assets for a prolonged period; (iii) entering into of the Framework Agreement and the Return, if consummated, would offload the risks of the Target Assets being seized by the PRC court and/or subject to foreclosure sale in the future as well as the resultant potential associated losses to the value of the Target Assets; (iv) the Consideration is equivalent to the consideration paid by the Group for the Target Assets pursuant to the Original Assets Transfer Framework Agreements in 2023, being RMB312,400,500, representing a premium to the carrying amount of the Target Assets as recorded on the consolidated statement of financial position of the Group as at 30 June 2025; (v) the internal control measures to safeguard the Company's interest of the Guaranteed Loan and to ensure its timely settlement as set out in the Letter from the Board; and (vi) the Management is of the view that, barring unforeseen circumstances, the Return would enhance the predictability of cash flow arising from the Target Assets comparing to holding on to the Target Assets given the status quo of the Target Assets, albeit over a longer duration, we concur with the view of the Directors that the Framework Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

5. Principal terms of the Framework Agreement

A summary of the principal terms of the Framework Agreement based on the Letter from the Board are set out below:

Date: 16 July 2025 (which was subsequently amended and supplemented by the supplemental agreement dated 10 October 2025)

Parties: (1) the Company (on behalf of each relevant member of the Group); and

(2) Sino-Ocean Group Company (on behalf of each relevant Sino-Ocean Connected Person)

Subject matter: The Group and the Sino-Ocean Connected Persons have conditionally agreed to cancel the Original Assets Transfer and to return to the Sino-Ocean Connected Persons the Target Assets. The Target Assets comprises 2,418 parking spaces located in the PRC which form part of the assets transferred by the Sino-Ocean Connected Persons to the Group pursuant to the Original Assets Transfer Framework Agreements. The original purchase price of RMB312,400,500 of the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by the Guaranteed Loan owing by the Sino-Ocean Group Borrower (being a designated wholly-owned subsidiary of Sino-Ocean Group Company) to the Sino-Ocean Service Lender, with Sino-Ocean Group Company acting as the guarantor to the Guaranteed Loan.

The Framework Agreement is a framework agreement which outlines the principles, mechanisms and terms under which the parties will execute the Transaction. After signing the Framework Agreement, each relevant member of the Group, and/or the respective Sino-Ocean Connected Person (including the Sino-Ocean Group Borrower), will separately enter into cancellation agreements or confirmation letter(s) with respect to the Target Assets, a loan agreement for the Guaranteed Loan, and any relevant ancillary documents (collectively referred to as the Underlying Transaction Agreements) subject to the terms of the Framework Agreement. The signing of, and completion of the transactions contemplated under, the Underlying Transaction Agreements will be subject to approval from the Independent Shareholders as well as satisfaction (or waiver, if applicable) of all other conditions to the Framework Agreement.

For further details, please refer to the section headed "THE FRAMEWORK AGREEMENT" as set out in the Letter from the Board.

Consideration and payment terms:

For the purpose of the Return, the original purchase price of RMB312,400,500 of the Target Assets under the Original Assets Transfer Framework Agreements will be reverted and settled by the Guaranteed Loan in the equal amount of RMB312,400,500. The lender of the Guaranteed Loan is the Sino-Ocean Service Lender and the borrower of the Guaranteed Loan is the Sino-Ocean Group Borrower, with Sino-Ocean Group Company as the guarantor to the Guaranteed Loan.

The Consideration in an amount of RMB312,400,500 is equivalent to the original consideration paid by the Group in respect of the Original Assets Transfer pursuant to the Original Assets Transfer Framework Agreements, which was determined after arm's length negotiations between the parties to the Framework Agreement having considered the reasons for and benefits of the Transaction in the section headed "REASONS FOR AND BENEFITS OF THE TRANSACTION" in the Letter from the Board.

The principal terms of the Guaranteed Loan in the amount of RMB312,400,500 include (i) a term of 120 months from the Utilization Date, to be settled according to the scheduled principal repayment as set out in the Letter from the Board; and (ii) a rate of interest of 2% per annum subject to detailed terms of repayment. The Guaranteed Loan is to be funded by internal resources of the Group and shall only be applied towards the settlement of the Consideration. The Group shall ensure that there will be no net cash outflow from the Group as set out in the Letter from the Board.

For further details, including the terms in relation to the repayment schedule and interest rate, please refer to the section headed "THE FRAMEWORK AGREEMENT" as set out in the Letter from the Board.

Conditions Precedent:

Conditions Precedent of the Framework Agreement include:

(i) all representations, warranties and undertakings made by the Sino-Ocean Connected Persons to the Group under the Framework Agreement being true, accurate and complete in all material aspects;

(ii) the substance and form of the Underlying Transaction Agreements having been agreed by the parties to the Framework Agreement; and

(iii) all necessary internal and external authorisations and approvals in relation to the transactions contemplated under the Framework Agreement and the Underlying Transaction Agreements having been obtained by the Group (including the approval by the Independent Shareholders as required under the Listing Rules) and the Sino-Ocean Connected Persons.

The Conditions Precedent as set out in sub-paragraphs (ii) and (iii) above are not waivable, and the Condition Precedent as set out in sub-paragraph (i) above is waivable by the Group.

The parties shall use all reasonable endeavours to procure the above Conditions Precedent be fulfilled on or before 31 December 2025 (or such later date to be agreed between the parties to the Framework Agreement in writing). In any event that any of the Conditions Precedent is not fulfilled (or waived, if applicable) by such date, either party shall have the right to unilaterally terminate the Framework Agreement by written notice to the other party.

For further details of the Framework Agreement including, among others, terms in relation to the Guaranteed Loan and the completion, please refer to the section headed "THE FRAMEWORK AGREEMENT" as set out in the Letter from the Board.

6. Our analysis and work performed on the Transaction

6.1 Our analysis on the background information leading to the Transaction

We noted the background information of the Target Assets and the Transaction from the Letter from the Board, which is further set out under sections headed "2. Information on the Target Assets" and "4. Reasons for and benefits of the Transaction" in this letter, respectively. Nonetheless, we have further conducted our research on the background information leading to the Transaction.

As set out in the announcement of the Company dated 21 July 2023 (the "**2023 Announcement**"), the Group recorded receivables due from Sino-Ocean Group at the material time (the "**Receivables**"). The subject assets comprised of (i) 4,961 parking spaces; and (ii) 168 commercial properties (with a total gross floor area in the region of 13,000 sq.m. in aggregate) ((i) and (ii) together the "**2023 Subject Assets**"), located in the PRC were transferred to the Group to offset against the Receivables under the Original Assets Transfer Framework Agreements.

Based on the 2023 Announcement, the valuation of the 2023 Subject Assets as at 31 May 2023 amounted to approximately RMB894.9 million (the "**2023 Appraised Value**"). The market value as appraised by an independent valuer of the subject parking spaces and the subject commercial properties as at 31 May 2023 was approximately RMB677.1 million and RMB217.8 million, respectively. Given the 2023 Subject Assets with its 2023 Appraised Value of approximately RMB894.9 million was applied to offset the outstanding Receivables of approximately RMB626.4 million, the Company in effect acquired the 2023 Subject Assets at a notable discount to its appraised value as a whole at the relevant time. The Management advised that the ownership rights (for commercial properties) and/or right of use (for certain parking spaces) of the 2023 Subject Assets, where applicable, were transferred to the Group after the then independent Shareholders' approval.

We noted that the transfer under the Original Assets Transfer Framework Agreements in 2023 aimed to expand the Group's parking space trading business, thereby increasing its revenue and enhancing overall profitability.

6.2 Our analysis on the rationale of the Transaction

However, after the Original Assets Transfer, it came to the attention of the Board that out of the 2023 Subject Assets, 2,418 parking spaces (i.e. the Target Assets) are, or could potentially be, subject to freezing and/or enforcement measures, i.e. the Issues, as a result of, among others, litigations, disputes and/or outstanding debt obligations involving the relevant Sino-Ocean Connected Persons at the level of development project companies as the registered owner of the Target Assets.

As set out in the Letter from the Board, the Group objected to the relevant freezing and/or enforcement measures and has taken actions to protect the legal rights of the Company and its shareholders as a whole, including filing objection applications with the local authorities.

Despite the Group's efforts and the existence of the Group's legal rights, it was noted from the Letter from the Board that the court judgement results have favoured priority debts at the level of project companies, being registered owners of the Target Assets.

The existence of the Issues negatively impacted the Group's ability to generate cash from rental or resale of the affected Target Assets and makes it impracticable for the Group to generate cash by leasing out or selling the Target Assets. Furthermore, the ongoing challenging operating environment of the PRC real estate market cast additional uncertainties on the marketability of the Target Assets.

In this connection, based on our review of the PRC legal opinion by the PRC legal adviser on the status of the Target Assets (the "**PRC Legal Opinion**") and as confirmed by the PRC legal adviser of the Company, the Target Assets are, where applicable, at risk of or are currently restricted from being sold, transferred or leased by the Group given the Issues. Despite the Management's efforts and having sought different means, legal and otherwise, the Company has not been able to resolve the Issues and, where relevant, lift the restrictions imposed on and/or mitigate the risks associated with the right of use of the Target Assets up to the Latest Practicable Date, and therefore could not identify interested purchasers to acquire the Target Assets in their existing states at acceptable terms.

We understand from the Management that there are practical risks of the Target Assets being seized by the PRC court and/or subject to foreclosure sale in the future, the timing of which are subject to uncertainties as at the Latest Practicable Date. In addition, the Company may or may not receive any consideration/monetary value under such circumstances. On this basis, the Group's inability to generate any economic benefits from the Target Assets may continue indefinitely if the situation remains unchanged. Furthermore, the Company considers that holding onto the Target Assets might potentially lead to impairment due to their frozen/enforced status and/or the ongoing litigation risks, thereby may lead to adverse impact to the financial performance of the Group (the "**Ongoing Risks**").

6.3 Alternatives considered by the Company

With a view to manage the Ongoing Risks, the Company (on behalf of each relevant member of the Group) decided to negotiate with Sino-Ocean Group Company (on behalf of each relevant Sino-Ocean Connected Person) to return the Target Assets at the consideration determined with reference to the relevant portion of the 2023 Appraised Value, being RMB312,400,500 by way of cancellation of the Original Assets Transfer. For the avoidance of doubt, the remaining assets transferred by the Sino-Ocean Connected Persons to the Group pursuant to the Original Assets Transfer Framework Agreements had been sold or remained as assets of the Group held for resale.

The Management also advised that prior to entering into the Framework Agreement, the Company has also considered alternative methods to mitigate the Ongoing Risks, such as, where applicable, (i) swapping the Target Assets for alternative assets owned by Sino-Ocean Group, such as other parking spaces or alternative assets owned by Sino-Ocean Group. However, given the current market conditions and Sino-Ocean Group's status, as further detailed under the section headed "3. Information of Sino-Ocean Group and Sino-Ocean Group Company", and the SOG Circumstances as set out under "6.4 Our analysis on the background of Sino-Ocean Group Company, the SOG Debt Restructuring and its effects on the terms of the Transaction" in this letter, the Management considers that this approach was deemed undesirable since it could lead to similar issues concerning the Target Assets; (ii) retaining the Target Assets and continue pursuing legal actions, including legal means to remove the relevant legal restrictions, regain control of the seized assets and/or complete the registration of the transfer of the subject assets in addition to filing objections with local authorities. Despite these efforts and the existence of the Group's legal rights, court judgments have favoured priority debts at the level of project companies, being registered owners of the relevant Target Assets; and (iii) alternative repayment options for settlement of the Consideration with immediate repayment or a shorter repayment schedule for settlement. However, the Management noted that given Sino-Ocean Group's prevailing situation, in particular, its available cash resources were earmarked for critical operations related to "guaranteed delivery of houses" and "guaranteed operations" policies in the PRC, thus a shorter repayment schedule would be impractical. Despite the Group's efforts, it had limited success in removing the Ongoing Risks and the Management is unable to identify interested purchasers to acquire the Target Assets in their existing state at acceptable terms.

In this connection, our work done included (i) our review of published information including the circular and announcement of Sino-Ocean Group Company dated 1 November 2024 and 27 March 2025 respectively regarding the status of its offshore debt restructuring, the announcement of the Company dated 16 July 2025; (ii) our analysis of the status of Sino-Ocean Group Company and background of the SOG Debt Restructuring under the section headed "6.4 Our analysis on the background of Sino-Ocean Group Company, the SOG Debt Restructuring and its effects on the terms of the Transaction" in this letter below; and (iii) our review of the PRC Legal Opinion as further set out under section headed "6.2 Our analysis on the rationale of the Transaction" in this letter above, and internal records of management meetings and/or discussions as provided by the Management to support that the Management has considered alternative methods with a view to mitigate the Ongoing Risks prior to entering into the Framework Agreement.

On this basis, after careful evaluations of the merits and limitations of the Transaction and various alternatives by the Management, it is considered that entering into the Framework Agreement is an appropriate course of action for the Group given the Ongoing Risks and the lack of other readily available alternatives as at the Latest Practicable Date.

6.4 Our analysis on the background of Sino-Ocean Group Company, the SOG Debt Restructuring and its effects on the terms of the Transaction

As set out in the announcement of Sino-Ocean Group Company dated 27 March 2025, the offshore debt restructuring of Sino-Ocean Group Company became effective on 27 March 2025 (i.e. the SOG Debt Restructuring). Based on the circular of Sino-Ocean Group Company dated 1 November 2024 and other publicly available information[1], the repayment terms of the new debt/convertible instruments of Sino-Ocean Group Company issued under the Hong Kong debt restructuring scheme sanctioned by the Hong Kong Court ranged from 24 months to 120 months from the restructuring effective date (the "**Repayment Timeframe**") with a rate of interest from nil% to 3.0% (the "**Restructured Interest Rate**").

Given (i) the prevailing financial position Sino-Ocean Group; (ii) Sino-Ocean Group is subject to the guaranteed delivery of housing units* (保交房) and guaranteed operations* (保運營) government policies; and (iii) in the event that the Company becomes one of the Sino-Ocean Group's creditors, no preferential treatment will be given to the Company as all of the Sino-Ocean Group's creditors should be treated evenhandedly, thus the Consideration payable to the Company under the Framework Agreement in connection with the Transaction as a result of the Return will not be settled immediately and that the settlement period shall be in line with the repayment terms under the SOG Debt Restructuring from Sino-Ocean Group's perspective (together the "**SOG Circumstances**").

[1] Website of the Stock Exchange, Sino-Ocean Group circular dated 1 November 2024 *(source: www1.hkexnews.hk/listedco/listconews/sehk/2024/1031/2024103101618.pdf)*

In addition, from our review of the information related to Sino-Ocean Group as well as the work and analysis performed, we noted the following,

(i) the shares of Sino-Ocean Group are continued to be available for trading on the Stock Exchange as at the Latest Practicable Date;

(ii) the Management advised that Sino-Ocean Group has continued to resolve matters related to its disclaimer of opinion on going concern and its overall debt situation. In this connection, we have reviewed and noted from the announcement of Sino-Ocean Group dated 30 June 2025 that (a) its offshore debt restructuring plan becoming effective reduced Sino-Ocean Group's leverage by approximately US$4 billion, which improved its asset-liability structure and alleviated its offshore liquidity pressures; and (b) Sino-Ocean Group has actively managed its onshore corporate bonds, with bondholders' meetings for four onshore corporate bonds have been duly convened, at which resolutions on adjustment of arrangements for repayment of principal and interest and other matters have been considered and approved, and that trading of seven onshore corporate bonds has also been resumed with effect from the commencement of trading hours of the Shanghai Stock Exchange on 12 May 2025. In addition, we also noted development to the onshore debt restructuring plan of Sino-Ocean Group as set out in its announcement dated 30 September 2025. Such demonstrated that Sino-Ocean Group has been taking actions with a view to improve its overall debt situation;

(iii) based on the circular of Sino-Ocean Group dated 1 November 2024 (the "**Sino-Ocean Group Restructuring Circular**") in relation to, among others, the debt restructuring of the subject restructuring group companies, notes issuers and subsidiary guarantors (the "**Sino-Ocean Group Restructuring**"), we noted from the Sino-Ocean Group Restructuring Circular that based on the business plan of Sino-Ocean Group (the "**Business Plan**") prepared on the assumption that the subject restructuring takes effect and the Sino-Ocean Group continues to operate on a going concern basis and presents the Sino-Ocean Group's projected annual cash inflows and outflows during the forecast period from January 2024 to December 2034 (the "**Forecast Period**"), Sino-Ocean Group Company expects to generate cash during the Forecast Period to repay the new loan and new notes as part of the restructuring consideration. The issue of mandatory convertible bonds would also increase the capital base through the issue of new shares of Sino-Ocean Group Company and further improve Sino-Ocean Group Company's capital structure.

In this connection, the Management advised that the Business Plan formed part of the Sino-Ocean Group Restructuring. Such Sino-Ocean Group Restructuring was sanctioned by the relevant Court and became effective in March 2025;

(iv) as set out in the announcement of Sino-Ocean Group Company dated 1 August 2025, among others, with a view to advance its sustainable operations going forward, it is preliminarily planned to provide an overall restructuring plan to holders of the existing onshore corporate bonds and interbank directed debt financing instruments issued by one of its wholly-owned subsidiaries, which included, multiple settlement options, including, among others, long-term debt retention plan, subject to the relevant bondholders, to extend the repayment date (i.e. the maturity date) to the 30 September 2035 (i.e. 10th year after 30 September 2025, being the benchmark date) and the interest rate will be uniformly adjusted to 1% per annum from the benchmark date. It was further noted from the announcement of Sino-Ocean Group Company dated 14 August 2025 that to implement the subsequent repayment arrangements of the relevant bonds as disclosed thereunder, the trading of seven subsisting corporate bonds will be suspended with effect from the commencement of trading hours of the Shanghai Stock Exchange on 15 August 2025. For further details, please refer to the aforesaid announcements of Sino-Ocean Group;

(v) based on the interim results announcement of Sino-Ocean Group Company dated 28 August 2025, although Sino-Ocean Group recorded a lower level of revenue of approximately RMB6.2 billion and an operating loss of approximately RMB19.2 billion for the first half of 2025, Sino-Ocean Group has recorded a profit attributable to shareholders of approximately RMB10.2 billion, which was primarily attributable to gains from the SOG Debt Restructuring becoming effective on 27 March 2025. As a result, Sino-Ocean Group had turned around from a net deficit position of approximately RMB2.5 billion as at 31 December 2024 to a net asset position of approximately RMB8.2 billion as at 30 June 2025; and

(vi) as set out in its announcement dated 11 September 2025 in relation to unaudited operating statistics, the contracted sales of Sino-Ocean Group, together with its subsidiaries, joint ventures and associates for August 2025 amounted to approximately RMB1.70 billion and from 1 January 2025 to 31 August 2025, the accumulated contracted sales amounted to approximately RMB16.44 billion for the eight months ended 31 August 2025.

Further to the above, the Management confirmed that the Company shall adopt the following internal control measures to safeguard its interests under the Guaranteed Loan:

(i) the capital market department of the Group will gather any published information and relevant news of Sino-Ocean Group on a weekly basis and update the situation of Sino-Ocean Group to the management team of the Group (the "**Management Team**") on a monthly basis, and as and when necessary, in particular where there are major updates;

(ii) the finance Department of the Group (i.e. the Finance Department) will obtain and review the management accounts and/or financial statements of the Sino-Ocean Group Borrower on a semi-annual basis as well as the then latest financial position and performance of Sino-Ocean Group as soon as practicable after the publication of the interim results and annual results of Sino-Ocean Group, and report back to the Management Team;

(iii) the then status of the Guaranteed Loan, Sino-Ocean Group and Sino-Ocean Group Borrower will be reported to the Board, including the independent non-executive directors at least on a semi-annual basis;

(iv) the Company shall establish channels of communication with the relevant personnel of Sino-Ocean Group and Sino-Ocean Group Borrower to gain an understanding on identified matters which may adversely affect the repayment under the Guaranteed Loan and follow up with them on the solution(s) thereof;

(v) the Finance Department shall monitor the timing of the scheduled repayment under the Guaranteed Loan, and to follow up promptly on overdue repayment, if any, to ensure that the repayments to be made by Sino-Ocean Group Borrower are in accordance with the repayment schedule under the Guaranteed Loan; and

(vi) after evaluation of the commercial merits and limitations to the Group as a whole, the Company will take appropriate actions, legal or otherwise, in a timely manner to resolve any long overdue repayment of Sino-Ocean Group Borrower with a view to protect the interests of the Company and its Shareholders as a whole.

The effective implementation of the aforesaid internal control measures can provide timely information for the monitoring of the status and risks of the Guaranteed Loan, Sino-Ocean Group and Sino-Ocean Group Borrower. Furthermore, Sino-Ocean Group Company, being a listed company on the Stock Exchange, agrees to provide a corporate guarantee for the repayment obligations of the Sino-Ocean Group Borrower under the Guaranteed Loan in favour of the Sino-Ocean Service Lender. It is noted from the Letter from the Board that the Group will exercise its rights under the loan agreement of the Guaranteed Loan if the Guaranteed Loan is not repaid as agreed or scheduled. We concur with the Directors that there are internal control measures to monitor and safeguard the Company's interests under the Guaranteed Loan as a whole.

6.5 Our analysis and work performed on the Consideration

Further to our qualitative analysis on the Transaction under the preceding sub-sections under the heading "6. Our analysis and work performed on the Transaction" above. We have also analysed the Transaction from a quantitative perspective below.

(i) Value comparison analysis on the Consideration

The Consideration as a result of the Return is equivalent to the consideration paid by the Group for the Target Assets pursuant to the Original Assets Transfer Framework Agreements in 2023, being RMB312,400,500. However, attributable to accounting treatment of the loan receivables under the Guaranteed Loan, a loss is expected as a result of the Transaction, further analysis of which are set out in the section headed "7. Possible financial effects of the Transaction".

Nonetheless, it is noted that the Consideration, in its absolute amount, represent a premium to each of (a) the appraised values in existing state and reference values under the Asset Valuation (defined hereafter) as at 31 August 2025; and (b) the carrying value of the Target Assets as recorded on the consolidated statement of financial position of the Group as at 30 June 2025.

In addition, the expected total cash inflow, in its absolute amount, as a result of the Transaction, being the Consideration plus the corresponding interests, is greater than the Consideration and is therefore also at a premium to (a) and (b) above.

(ii) Our analysis on the Asset Valuation

It is noted that a valuation on the Target Assets (the "**Asset Valuation**") was carried out by the Independent Valuer, Cushman & Wakefield Limited. Based on the information as set out in the Letter from the Board and the Asset Valuation, the Consideration as a result of the Return represents a premium to the appraised values in existing state and reference values of the Target Assets as at 31 August 2025. In assessing the Consideration, we have reviewed and discussed with Independent Valuer in respect of the Asset Valuation, the methodology of, and basis and assumptions adopted thereof, as set out in the valuation report in Appendix II to the Circular (the "**Valuation Report**"). Our detailed analysis in relation to the Asset Valuation is set out below.

Background of the Independent Valuer

We have discussed with the engagement team of the Independent Valuer as to their expertise, valuation experience, their scope of work and valuation procedures conducted in relation to the valuation of Target Assets. We also noted that the Independent Valuer reviewed the background information and other relevant data concerning the Target Assets, reviewed the applicable legal documents, titles/registrations/permits/licenses relating to the Target Assets and has taken into consideration the status and the restrictions of the Target Assets.

In addition, we have also reviewed the terms of engagement of the Independent Valuer, and the Independent Valuer has confirmed that its scope of work in connection with the Valuation Report is appropriate to the opinion required to be given under the relevant Listing Rules. Furthermore, the Independent Valuer confirmed that there were no limitations on its scope of work which may adversely impact on the degree of assurance given by the Valuation Report. We also noted that the Independent Valuer carried out site visits to inspect the Target Assets, investigated the title of the Target Assets.

Based on the above, we are satisfied that the Independent Valuer is qualified to give its opinion as set out in the Valuation Report taken into account its relevant experiences and expertise, its independence, and its scope of work and valuation procedures conducted.

Basis and methodology of the Asset Valuation

As set out in the Valuation Report, it was compiled with the applicable valuation guidance and/or standards, namely, the HKIS Valuation Standards 2024.

Based on our discussion with the Independent Valuer on the methodologies, basis and assumptions adopted, we understood that the Independent Valuer has adopted the market comparison method in the Asset Valuation. While the Asset Valuation was conducted based on the market comparison method, the Independent Valuer mainly made reference to price information of comparable properties of similar character and location. As discussed with the Independent Valuer, we noted that the Independent Valuer mainly made reference to relevant comparable price evidence of property of similar use type with relevant adjustments when adopting the market comparison method, such as, among others, transaction type, date of transaction, age and upkeep condition of the property, differences in size, location and accessibility between the comparable properties and the Target Assets, to arrive at the Asset Valuation. In order to assess the fairness and representative of the adjustments applied to the comparable properties, we have discussed with the Independent Valuer on the adjustments made to reflect different attributes between the comparable properties and the Target Assets. We understand from the Independent Valuer that the general basis of adjustments of such attributes is that if the comparable properties are superior to the Target Assets in respect of the subject adjustment factors, a downward adjustment would be applied, and vice versa, a upward adjustment would be applied if it is inferior to the Target Assets, where applicable. We also noted from the Independent Valuer that the approach adopted, including the underlying principle assumptions, is commonly used for deriving market value of parking spaces in the PRC and considered the valuation method adopted by the Independent Valuer to be appropriate.

Our work performed on the Asset Valuation

In assessing the fairness and reasonableness of the Asset Valuation, we have performed the following work and analysis as set out below. We have reviewed the Valuation Report and discussed with the Independent Valuer regarding the methodology adopted. We understand that the market comparison method has been adopted by the Independent Valuer and such method is commonly used for determining market value of assets with similar nature to that of the Target Assets. We have obtained and reviewed supporting documents and/or information on the comparable transactions used by the Independent Valuer under the market comparison method as well as the Independent Valuer's calculations of the appraised values.

We also noted from the Valuation Report that the Independent Valuer ascribed no commercial value to the Target Assets in existing state as at 31 August 2025, as the Target Assets were subject to the Issues and matters as detailed in the Valuation Report (the "**Appraised Value**"). The Target Assets comprised (a) 21 parking spaces of the Yangzhou Guangling Chenzhang project* (揚州廣陵宸章項目) in Yangzhou (the "**Yangzhou Parking Spaces**"), all of which have been seized by the PRC court; (b) 1,370 parking spaces of the Xixi Mansion project* (西溪公館項目) in Hangzhou (the "**Xixi Parking Spaces**"); and (c) 1,027 parking spaces of the Nanjing WanHe Four Seasons project* (南京萬和四季項目) in Nanjing (the "**Nanjing Parking Spaces**"), as at 31 August 2025.

Nonetheless, we also noted from the Valuation Report that for the Group's management reference, the Independent Valuer was instructed to separately assess the market value of the Target Assets, and based on the assumptions that (a) the real estate title of the property is legally vested in the subject company(ies) and the subject property can be freely transferred; and (b) all the land premium or purchase consideration has been fully settled, the respective reference values of the Yangzhou Parking Spaces, the Xixi Parking Spaces and the Nanjing Parking Spaces would be RMB950,000, RMB228,110,000 and RMB48,780,000 respectively, and RMB277,840,000 in aggregate, as at 31 August 2025 (the "**Reference Value(s)**").

Having considered that (a) our work and analysis as set out above; and (b) the Asset Valuation has been prepared in accordance with the applicable valuation standard(s), we are of the view that the Asset Valuation is an appropriate valuation reference point to assess the fairness and reasonableness of the Consideration.

6.6 Other terms of the Transaction

In connection with the payment terms of the Transaction, the Management believed that given the SOG Circumstances, the Transaction may be challenged by its creditors, through legal or other means, in the event that the settlement terms of the Consideration are considered to be more favourable compared to that of the Repayment Timeframe under the SOG Debt Restructuring.

Against this backdrop, the SOG Circumstances led to the settlement of the Consideration being spread over a period of time with interest. As further analysis, we have conducted market research on debt restructuring to assess the common market practice of the duration and rate of interest on the debt instruments/securities thereunder, based on the following criteria, (i) debt restructuring conducted by companies listed on the Main Board of the Stock Exchange; (ii) the date of the subject circular of which falls within 24 months immediately prior to the date of the announcement in relation to the Framework Agreement, i.e. 16 July 2025; and (iii) debt instruments/securities without convertible feature(s) are issued as part of the debt structuring plan (together the "**Debt Restructuring Criteria**"). Based on the Debt Restructuring Criteria, we have identified five debt restructuring market comparables (the "**Market Debt Restructuring Comparable(s)**").

Name of listed company (stock code)	**Date of circular**	**Repayment period of debt securities/ instruments without convertible feature(s)**	**Interest rate/coupon on the subject debt securities/ instruments without convertible feature(s)**
Times China Holdings Limited **("Times China")** *(1233)*	10 July 2025	3.5 to 8 years	in the range of 4.0% to 4.5%, depending on loan tenure and payment in cash or in kind, subject to specified repayment schedule
Golden Wheel Tiandi Holdings Company Limited ("**Golden Wheel**") *(1232)*	31 March 2025	5 years	1.0% per annum, either in cash or in kind at the election of the Issuer
IDT International Limited ("**IDT**") *(167)*	24 January 2025	10 years	0% per annum for the initial three years, 3% per annum for the following three years and 5% per annum for the remaining four years

Name of listed company (stock code)	Date of circular	Repayment period of debt securities/ instruments without convertible feature(s)	Interest rate/coupon on the subject debt securities/ instruments without convertible feature(s)
Shimao Group Holdings Limited ("**Shimao**") *(813)*	30 December 2024	up to 9.5 years	in the range of 2.0% to 6.0%, depending on loan tenure and payment in cash or in kind, subject to specified repayment schedule
Sino-Ocean Group Holding Limited (i.e. Sino-Ocean Group Company) *(3377)*	1 November 2024	up to 10 years (i.e. 120 months) after restructuring effective date	3.0%, subject to certain conditions being met
	Maximum:	10 years	6.0% per annum
	Minimum:	3.5 years	1.0% per annum
	under the Transaction:	10 years (i.e. 120 months) from the Utilization Date	2.0% per annum

We noticed from the above table that (i) the repayment period of debt securities/instruments without convertible features ranged from three and a half years (Times China) to 10 years (IDT and Sino-Ocean Group Company); and (ii) the interest rate/coupon on the subject debt securities/instruments without convertible features under the subject debt restructuring ranged from approximately 1.0% per annum (Golden Wheel) to 6.0% per annum (Shimao). On this basis, the repayment period of 120 months, i.e. 10 years, and the interest rate of 2% per annum under the Transaction falls within the respective range. Although the listed companies which conducted debt restructuring exercise that have been identified as the Market Debt Restructuring Comparables may differ in industry, business scale and characteristics, and that the size of the debt restructured also varied. However, given the Market Debt Restructuring Comparables are selected based on the Debt Restructuring Criteria, we are of the view that the Market Debt Restructuring Comparables are appropriate and representative for the purpose of our analysis.

In addition to the results of the comparable analysis and we have also assessed the Consideration being payable over time under the repayment schedule instead of immediately after completion of the Return against factors, such as (i) the absence of alternative buyers of the Target Assets as analysed under the sub-section headed "6.3 Alternatives considered by the Company"; (ii) in the event that the Company holds onto the Target Assets, given the Ongoing Risks, the Management is of the view that the Target Assets may not generate any economic benefits for the Group indefinitely should the situation remains unchanged, and that the Company is at risk of losing control of the ownership and/or rights to the Target Assets, if materialised, such would lead to the balance of the Target Assets recorded on the consolidated financial statements of the Group being further impaired or written off, in part or in full, under the worst-case scenario; and (iii) based on our market research, the prevailing interest rate for RMB long-term fixed deposit, i.e. for periods of more than one year, with onshore PRC banking institutions as at the end of June 2025 ranged from 1.05% to 1.30% per annum, which is lower than the interest rate under the Guaranteed Loan.

On this basis, we concur with the Management that it is appropriate for the Group to return the Target Assets to the Sino-Ocean Connected Persons at the original purchase price of RMB312,400,500 by way of cancellation of the Original Assets Transfer. Given the Issues as discussed above, the Management considered that such would enhance the predictability of cash flow arising from the Target Assets, albeit over a duration comparable to the Repayment Timeframe. It is also noted that Sino-Ocean Group Company agrees to provide a corporate guarantee for the repayment obligations of the Sino-Ocean Group Borrower under the Guaranteed Loan in favour of the Sino-Ocean Service Lender.

6.7 Summary of our analysis

Having considered, among others,

(i) the background and the rationale of the Transaction as set out under the sub-sections headed "6.1 Our analysis on the background information leading to the Transaction" and "6.2 Our analysis on the rationale of the Transaction", in particular, the Ongoing Risks faced by the Group of not being able to generate any economic benefits from the Target Assets, which may continue indefinitely if the situation remains unchanged, and such would adversely affect the carrying value of the Target Assets;

(ii) the Company is unable to identify alternative buyers given the status of the Target Assets as set out under the sub-section headed "6.3 Alternatives considered by the Company";

(iii) our value comparison analysis on the Consideration in this letter above sets out that the Consideration is equivalent to the consideration paid by the Group for the Target Assets pursuant to the Original Assets Transfer Framework Agreements in 2023, being RMB312,400,500, and the Consideration, in its absolute amount, represents a premium to each of (a) the Appraised Value and the Reference Value as set out in the Valuation Report; and (b) the carrying amount of the Target Assets as recorded on the consolidated statement of financial position of the Group as at 30 June 2025;

(iv) given the SOG Circumstances, all of the Sino-Ocean Group's creditors should be treated evenhandedly, thus any amount payable by Sino-Ocean Group to the Company under the Transaction will not be settled immediately and that the settlement period shall be in line with the repayment terms under the SOG Debt Restructuring; and

(v) our analysis on the principal terms of the Transaction, including the Consideration and settlement terms under the sub-sections headed "6.5 Our analysis and work performed on the Consideration" and "6.6 Other terms of the Transaction",

we concur with the view of the Directors that the terms of the Transaction are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

7. Possible financial effects of the Transaction

As discussed with the Management, we understand that upon completion of the Return, the Group will cease to have any interests in the Target Assets and the entire carrying amount of the Target Assets, being recorded under "inventories" as part of the Group's current assets on its consolidated statement of financial position, will be deducted from the inventories balance. On the other hand, a balance equivalent to the present value of the Loan Receivables (defined hereafter) will be recorded under other receivables, as part of the Group's non-current assets on its consolidated statement of financial position. The Management expects that (i) the balance of the present value of the loan receivables under the Guaranteed Loan (the "**Loan Receivables**") to be less than (ii) the balance of the Target Assets recorded on the consolidated statement of financial position of the Group as at 30 June 2025, the relevant differences will be recorded as a loss in the consolidated statement of comprehensive income.

However, it should be noted that the carrying value of the Loan Receivables balance initially recognised will not be equivalent to the actual cash flow of the Transaction, rather it is an accounting representation of the carrying value of the Loan Receivables at the material time, calculated based on the present value of the expected cash inflow arising from the Loan Receivables. Furthermore, it is also noted that the relevant accounting standards require the Group to recognise interest income over time, which would correspondingly increase the carrying value of the Loan Receivables on the consolidated financial statements of the Group as time passes. Therefore, the closer the reporting date of the consolidated financial statements to the scheduled loan repayment dates, assuming all things being equal, the carrying value of the Loan Receivables would increase, and such increase is not driven by any actual cash settlement in nature. On this basis, Shareholders should note that these accounting representations and theoretical accounting balances, which are determined with reference to estimates together with the scheduled time of the repayment under the Transaction, may or may not represent the actual monetary amount of the receivables under the Transaction at the relevant time.

It should be noted that the aforementioned analysis is for illustrative purposes only and subject to audit, and do not purport to represent how the financial position and/or performance of the Group will be upon completion of the Transaction.

From a cashflow perspective, as set out in the Letter from the Board, the Group expects there to be no net cash outflow from the Group. On this basis, barring unforeseen circumstances, the Management does not expect the Transaction to have any material adverse effect on the working capital of the Group.

VI. RECOMMENDATION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the principal factors and reasons as set out in this letter and we consider that although the Framework Agreement and the transactions contemplated thereunder are not conducted in the ordinary and usual course of business of the Group, the terms thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Framework Agreement and the transactions contemplated thereunder.

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

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in the corporate finance industry.

* *for identification purposes only*

1. CONSOLIDATED FINANCIAL STATEMENTS

The financial information of the Group for each of the financial years ended 31 December 2022, 31 December 2023 and 31 December 2024 and for the six months ended 30 June 2025 is disclosed in the following annual or interim reports of the Company which have been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.sinooceanservice.com). Quick links to such financial information are set out below:

- annual report of the Company for the year ended 31 December 2022 (pages 105 to 181):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042401065.pdf

- annual report of the Company for the year ended 31 December 2023 (pages 103 to 173):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0423/2024042300942.pdf

- annual report of the Company for the year ended 31 December 2024 (pages 95 to 161):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042803927.pdf

- interim report of the Company for the six months ended 30 June 2025 (pages 47 to 74):

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0919/2025091901287.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group, the Group had lease liabilities of approximately RMB6.5 million of which RMB2.0 million were classified as current liabilities and approximately RMB4.5 million were classified as non-current liabilities.

Save as aforesaid or as otherwise disclosed above, at the close of business on 31 August 2025, the Group had no outstanding indebtedness in respect of any borrowings, mortgages, charges or debentures, loan capital, bank loans and overdrafts, term loans or other loans, debt securities or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits or hire purchase commitments, finance lease commitments, guarantees or other material contingent liabilities or indebtedness.

3. WORKING CAPITAL

The Directors are satisfied after due and careful consideration and taking into account the present internal financial resources available to the Group, the effect of the Transaction and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

As disclosed in the annual report of the Company for the year ended 31 December 2024, during 2024, the Group persevered with high quality and sustainable operation, continued to optimize and standardize service systems, upgrade services and user experience; focused on market-oriented expansion and high-end projects, cultivation of core cities and augmentation of project management efficiency; expanded value-added areas, intensified services, focused on customer retail business, satisfied owners' diverse living needs; paid full attention to streamlining management, improving business structure, increasing development resilience; actively introduced information and intelligence systems to enable better service quality and efficiency. The Group, guided by customers' needs, strives to achieve sustainable and high-quality development.

As disclosed in the interim report of the Company for the six months ended 30 June 2025, in the first half of 2025, the Group persevered with high quality and sustainable operation, and intensification of operation reforms in multiple dimensions. The Group continued to optimise the full-cycle quality service control system, refine service details and user experience, and build up a solid property owner satisfaction base. The Group strengthened our capabilities in securing third-party projects, focused on high quality projects in deeply cultivated cities. Upon the core business base of residential and commercial properties, the Group actively developed the existing non-residential property market and further raised project quality. The Group dug deep into the potential of existing properties, enhanced its product matrix around property owners' sore points in daily life to build a differentiating value-added service system; promoted streamlined cost control, raised operational efficiency; continued to optimise business structure, innovate the organizational structure, and consolidate the foundation for sustainable growth.

In the second half of 2025, the Group will continue to uphold its service philosophy of "being understanding and innovative", focusing on elevating service quality, refining its standardized service system, and improving service details to strengthen owner loyalty and trust. The Group will deepen its presence in key regions, expand into diverse market segments, and enhance the quality of its project portfolio to achieve intensive growth in operational efficiency. The Group will strengthen cultivated operational capabilities, with a particular emphasis on accounts receivable and cash flow management, optimizing cost structures to ensure operational stability. Simultaneously, the Group will advance organizational efficiency upgrades, improve talent development and selection mechanisms, and further enhance management effectiveness and service standards. By addressing pain points in owners' daily lives, the Group will expand its value-added service offerings and continue exploring innovative business growth opportunities. Adhering to a long-term development philosophy, the Group will earn customer trust through high-quality services, solidify its foundation with cultivated operations, unlock growth potential through forward-looking strategies, and ensure safety barriers with compliant governance. By aligning with national strategies, empowering community development, and delivering returns to Shareholders, the Group will achieve harmony between corporate and social value, building a sustainable and enduring model for long-term success.

The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of values of the Property Interests agreed to be returned by the Company as at 31 August 2025.



27th Floor
One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

15 October 2025

The Board of Directors
Sino-Ocean Service Holding Limited
Suite 601
One Pacific Place
88 Queensway
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with the instructions from Sino-Ocean Service Holding Limited (the "**Company**") for Cushman & Wakefield Limited ("**C&W**") to value certain property interests in the People's Republic of China (the "**PRC**") (individually the "**Property Interest**" or collectively the "**Property Interests**") to be returned by the Company and its subsidiaries (hereinafter together referred to as the "**Group**"), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Property Interests as at 31 August 2025 (the "**Valuation Date**").

DEFINITION OF MARKET VALUE

Our valuation of each of the rights of use of the properties represents their respective market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing the Property Interests, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors.

Our valuation of the Property Interests is each on entirety interest basis.

VALUATION BASIS AND ASSUMPTIONS

Our valuation of each of the Property Interests excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuations, we have relied on the information and advice given by the Company's PRC legal adviser, Kejie Associates (柯傑律師事務所), regarding the titles to the properties and the interests of the Group in the Property Interests in the PRC. In valuing the values of the Property Interests on the assumptions as specified in the report, we have assumed that the Group has an enforceable title to each of the Property Interests and has free and uninterrupted rights to use, occupy or assign the Property Interests for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company, are set out in the notes of the respective valuation report.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Property Interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoing of any onerous nature which could affect their values.

CURRENCY

Unless otherwise stated, all monetary amounts stated in the summary of valuations and valuation report are in Renminbi ("**RMB**"), the official currency of the PRC.

METHOD OF VALUATION

In valuing the values of the Property Interests, which are to be returned by the Group in the PRC, on the assumptions as specified in the report, we have adopted Market Comparison Method assuming sale of each of these Property Interests in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the subject properties and the comparable properties. Given that the Property Interests are interests in car parking spaces, comparable sales transactions and information about such sales are generally available, we have therefore adopted Market Comparison Method which is in line with the market practice.

Set out below are the key assumptions used in our valuations of the values on the assumptions as specified in the report:

Unit rates (net of value-added tax ("**VAT**")) range from RMB34,000 to RMB191,000 per car park lot.

SOURCE OF INFORMATION

In the course of our valuations, we have relied on the information and advice given by the Company and the Company's PRC legal adviser regarding the title to the properties and the interests of the Group in the Property Interests in the PRC.

We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, rental incomes, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents of the Property Interests in the PRC provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the Property Interests in the PRC. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Property Interests and we have therefore relied on the advice given by the Company or the Company's PRC legal adviser regarding the interests of the Company in the Property Interests.

SITE INSPECTION

We inspected the exterior and, wherever possible, the interior of the properties in June 2025. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of the documents handed to us are correct.

OTHER DISCLOSURE

We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the Property Interests or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

We enclose herewith our summary of valuations and valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services
Greater China

Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

SUMMARY OF VALUATIONS

Property Interests to be returned by the Group in the PRC

	Property Interest	Market value in existing state as at 31 August 2025 *(RMB)*
1	The right of use in portions of underground car parking spaces of Royal Mansion, East side of Yingbin Road and south side of Jianxin Road, Guangling District, Yangzhou, Jiangsu Province, the PRC	No commercial value
2	The right of use in portions of underground parking spaces of Xixi Mansion, 822 Wenyi West Road Zhangba Second Road, Yuhang District, Hangzhou, Zhejiang Province, the PRC	No commercial value
3	The right of use in portions of underground parking spaces of Ocean Seasons Phases West of Ningli Road, Lishui District, Nanjing, Jiangsu Province, the PRC	No commercial value

VALUATION REPORT

Property Interests to be returned by the Group in the PRC

Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2025
1. The right of use in portions of underground car parking spaces of Royal Mansion, East side of Yingbin Road and south side of Jianxin Road, Guangling District, Yangzhou, Jiangsu Province, the PRC (中華人民共和國江蘇省揚州市廣陵區迎賓路東側、建新路南側廣陵宸章部分地下車位使用權)	The property comprises 21 unsold car parking spaces of Royal Mansion, which was completed in 2022. The property is located in Guangling Industrial Park of Yangzhou. Developments nearby are mainly residential in nature. The property is served by several public bus routes. The total gross floor area of the property is 579.60 sq.m.. The land use rights of the property have been granted for terms of 70 years due to expire on 21 October 2090 for residential use.	As at the Valuation Date, the property was vacant.	No commercial value (See Note 7)

Notes:

(1) According to Real Estate Title Certificate No. (2020) 0140657 dated 6 November 2020, the land use rights of the property comprising a total site area of 25,055 sq.m. has been vested in 揚州遠陵置業有限公司 (Yangzhou Yuanling Property Co., Ltd.), a subsidiary of Sino-Ocean Group Holding Limited, for a term of 70 years due to expire on 21 October 2090 for residential use.

The property constitutes parts of the scope of the above-said certificate.

(2) According to Planning Permit for Construction Works No. 321002202050025 dated 25 November 2020, the construction works of the property with a total permitted gross floor area of 17,004.99 sq.m. is in compliance with the construction works requirements and have been approved.

The property constitutes parts of the scope of the above-said permit.

(3) According to Permit for Commencement of Construction Works No. 321002202012170101 dated 17 December 2020, the construction works of the property with a total permitted gross floor area of 63,624.77 sq.m. are in compliance with the construction works requirements and have been approved.

The property constitutes parts of the scope of the above-said permit.

(4) According to Construction Works Completion Examination Form No. 3210022010290101-JX-001 dated 24 November 2022, the project with a total gross floor area of 63,155.10 sq.m. was completed.

The property constitutes parts of the scope of the above-said form.

(5) According to Commodity Housing Pre-sale Permit No. 20210195 dated 8 November 2021, the property with a total gross floor area of 12,157.37 sq.m. was permitted for pre-sale.

The property constitutes parts of the scope of the above-said permit.

(6) We have been provided with a legal opinion on the title of the property issued by the Company's PRC legal adviser which contains, inter-alia, the following information:

(a) 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) and 揚州遠陵置業有限公司 (Yangzhou Yuanling Property Co., Ltd.) entered into an asset handover confirmation letter, pursuant to which both parties confirmed the completion of the handover of 287 parking space assets on 20 November 2023 at the cost of RMB11.65 million. However, at the relevant time 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) has not obtained legal ownership of such parking spaces. Its possession and right of use of the assets are solely based on an Asset Handover Confirmation Letter.

(b) Out of the 287 parking spaces, a total of 21 parking spaces have been sealed by the court due to failure to settle its outstanding debts, rendering it impossible to complete the online signing and registration procedures for their ownership transfer.

(c) The Guangling District People's Court imposed a seizure order over a total of 15 parking spaces of the property on 15 December 2023. 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) has filed appeals, which were dismissed on 30 April 2024, 19 November 2024 and 28 March 2025 respectively. In this case, 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) would be unable to obtain the ownership of such parking spaces.

(d) The Guangling District People's Court imposed a seizure order over a total of 6 parking spaces of the property on 11 September 2025. 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) has not filed any appeals. In this case, 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) would be unable to obtain the ownership of such parking spaces.

(e) During the period of seizure, unless otherwise approved by the Guangling District People's Court, the said 21 parking spaces may not be sold, transferred or leased to any third party.

(7) We have ascribed no commercial value to the Property Interest as the property is subject to legal issues mentioned above. However, for the Group's management reference, we are specially instructed to separately assess the market value of the said portion in its existing state on the following assumptions:

(a) the real estate title of the property is legally vested in 遠洋億家物業服務股份有限公司揚州分公司 (Ocean Homeplus Property Service Corporation Limited Yangzhou Branch) and the property can be freely transferred as at the Valuation Date; and

(b) all the land premium or purchase consideration has been fully settled.

Subject to the above assumptions, the market value of the Property Interest as at 31 August 2025 would be RMB950,000 (RENMINBI NINE HUNDRED FIFTY THOUSAND) (100% interest attributable to the Group: RMB950,000).

(8) In valuing the Property Interest on the aforesaid assumptions, we have adopted Market Comparison Method. We have made reference to relevant sales comparables in the locality. The comparables are selected mainly based on the following criteria: (i) the transaction took place in the past one year; (ii) quote in the past three months; (iii) comparables are located in the same city; (iv) the nature of the comparables is similar to the property. The unit prices of these comparables range from about RMB38,000 to RMB50,000 per car park lot.

Details of the comparables considered are listed below:

Comparable	**Unit Rate** *(RMB/lot)*
Langjun Mansion	49,000
Wuyueshoufu	50,000
Feicuihuating	38,000

The major adjustments made to arrive at our valuation, include but not limited to the following:

Factor	**Adjustment**
Transaction type	–2% to 0%
Date of transaction	–4% to 0%
Location and environment	0% to 10%
Accessibility	0% to 5%
Age and maintenance	0% to 5%

In arriving at the valuation, appropriate adjustments and analysis have been made to allow for the differences in various aspects including but not limited to location, accessibility, neighbourhood environment, and physical characteristics, such as building age and maintenance and other relevant matters between the property and the comparables. The general basis of adjustment is that if the subject property is better than the comparable, an upward adjustment is made. Alternatively, if the property is inferior to or less desirable than the comparable, a downward adjustment is made.

(9) Jon Yang, 12 years of experience in the valuation of properties in the PRC, inspected the property on 20 June 2025.

VALUATION REPORT

Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2025
2. The right of use in portions of underground parking spaces of Xixi Mansion, 822 Wenyi West Road Zhangba Second Road, Yuhang District, Hangzhou, Zhejiang Province, the PRC (中華人民共和國浙江省杭州市餘杭區文一西路822號西溪公館部分地下車位使用權)	The property comprises 1,370 unsold car parking spaces of Xixi Mansion (including 420 civil defence car parking spaces), which was completed in 2020. The property is located in Yuhang District of Hangzhou. Developments nearby are mainly commercial and residential. The property is served by several public bus routes and is close to the Jinchanglu subway station. The property has a total gross floor area of 20,890.00 sq.m.. The land use rights of the property have been granted for terms of 70 years due to expire on 31 July 2080 for commercial and residential uses.	As at the Valuation Date, the property was vacant.	No commercial value (See Note 7)

Notes:

(1) According to 2 State-owned Land Use Certificates dated 20 April 2011, the land use rights of the property with a total site area of 163,394.50 sq.m. have been vested in 浙江國恒西溪置業有限公司 (Zhejiang Guoheng Xixi Property Co., Ltd.), a subsidiary of Sino-Ocean Group Holding Limited, for terms due to expire on 31 July 2080 for residential use, and 31 July 2050 for commercial use.

Certificate No.	Use	Expiry date of land use term	Site area *(sq.m.)*
(2011) 118–308	Commercial and residential	31 July 2080	80,588.60
(2011) 118–309	Commercial and residential	31 July 2080	82,805.90
Total			163,394.50

The property constitutes parts of the scope of the above-said certificates.

(2) According to Planning Permit for Construction Land Use dated 12 January 2011, the construction site of land with a total site area of 161,395.00 sq.m. with details as follows:

Permit No.	**Use**	**Site area** *(sq.m.)*
201101518006	Commercial and residential	80,589.00
201101518007	Commercial and residential	80,806.00
Total		161,395.00

The property constitutes parts of the scope of the above-said permit.

(3) According to Planning Permit for Construction Works Nos. 201101518056 and 201101518058 both dated 15 July 2011, and Nos. 201601534025 and 201601534024 both dated 2 June 2016, the construction works of the property were permitted for construction with details as follows:

		Gross Floor Area (sq.m.)		
Use	**Building No.**	**Total**	**Aboveground**	**Underground**
Commercial and residential	Building Nos. 28, 29 and 37 and basement, North Plot	56,073.69	40,614.10	15,459.59
Commercial and residential	Building No. 19, South Plot	15,275.15	11,524.86	3,750.29
Commercial and residential	Residential Building Nos. A-1, A-3, B-13 and B-20, Kindergarten and Basement	156,875.12	105,157.66	51,717.46
Commercial and residential	Residential Building Nos. B-1, B-12, C-1 and C-13 and Basement	204,690.34	137,320.36	67,369.98
Total		432,914.30	294,616.98	138,297.32

The property constitutes parts of the scope of the above-said permits.

(4) According to the Permits for Commencement of Construction Works, the property with a total gross floor area of 432,914.30 sq.m. was completed, with details as follows:

Permit No.	Issue Date	Building No.	Gross Floor Area *(sq.m.)*
330125201107280000	28 July 2011	Building Nos. 28, 29 and 37 and basement, North Plot	56,073.69
330125201107280401	28 July 2011	Building No. 19, South Plot	15,275.15
330110201609200101	20 September 2016	Residential Building Nos. A-1, A-3, B-13 and B-20, Kindergarten and Basement	156,875.12
330110201610270201	27 October 2016	Residential Building Nos. B-1, B-12, C-1 and C-13 and Basement	204,690.34
Total			432,914.30

The property constitutes parts of the scope of the above-said permits.

(5) According to 2 Construction Works Completion Examination Forms, the property was completed on 14 December 2020 with a total gross floor area of approximately 361,565.46 sq.m.

Form No.	Issue Date	Building Use	Gross Floor Area *(sq.m.)*
31110020201214102	14 December 2020	Commercial and residential	156,875.12
31110020201214106	21 September 2020	Commercial and residential	204,690.34
Total			361,565.46

The property constitutes parts of the scope of the above-said forms.

(6) We have been provided with a legal opinion on the title of the property issued by the Company's PRC legal adviser which contains, inter-alia, the following information:

(a) 遠洋億家物業服務股份有限公司杭州分公司 (Ocean Homeplus Property Service Corporation Limited Hangzhou Branch), a subsidiary of Sino-Ocean Service Holding Limited, and 浙江國恒西溪置業有限公司 (Zhejiang Guoheng Xixi Property Co., Ltd.) entered into two asset handover confirmation letters on 2 December 2023 at the cost of RMB267.34 million. At the time of the transaction, due to regulatory restrictions in Hangzhou, which prohibit entities other than individual property owners from acquiring independent title to parking spaces in residential developments, 遠洋億家物業服務股份有限公司杭州分公司 (Ocean Homeplus Property Service Corporation Limited Hangzhou Branch) was unable to complete the registration and title transfer procedures for the 950 non-civil defence parking spaces of the property. Furthermore, pursuant to Article 29 of the Administrative Provisions on the Development and Utilisation of Urban Underground Space and the relevant restrictions on the use of civil defence works in Hangzhou, the 420 civil defence parking spaces of the property may only be transacted on a lease basis.

(b) 浙江國恒西溪置業有限公司 (Zhejiang Guoheng Xixi Property Co., Ltd.) issued a letter to 遠洋億家物業服務股份有限公司杭州分公司 (Ocean Homeplus Property Service Corporation Limited Hangzhou Branch) regarding the proposed termination of the parking space acquisition agreement on 29 May 2024. In the letter, 浙江國恒西溪置業有限公司 (Zhejiang Guoheng Xixi Property Co., Ltd.) explained that prior to the transaction, it had incurred an outstanding income tax liability due to temporary liquidity constraints. The local tax authority has explicitly indicated that it will adopt enforcement measures, including revocation of the parking space transaction.

(c) If the transaction documents are ultimately rescinded, 遠洋億家物業服務股份有限公司杭州分公司 (Ocean Homeplus Property Service Corporation Limited Hangzhou Branch) will lose its rights and interests in the relevant parking space assets and will no longer be able to sell, assign or lease such assets to third parties.

(7) We have ascribed no commercial value to the Property Interest as the property is subject to legal issues mentioned above. However, for the Group's management reference, we are specially instructed to separately assess the market value of the said portion in its existing state on the following assumptions:

(a) the real estate title of the property is legally vested in 浙江國恒西溪置業有限公司 (Zhejiang Guoheng Xixi Property Co., Ltd.) and the property can be freely transferred as at the Valuation Date; and

(b) all the land premium or purchase consideration has been fully settled.

Subject to the above assumptions, the market value of 950 non-civil defence parking spaces of the property as at 31 August 2025 would be RMB163,850,000 (RENMINBI ONE HUNDRED SIXTY THREE MILLION EIGHT HUNDRED FIFTY THOUSAND ONLY) (100% interest attributable to the Group: RMB163,850,000) and the market value of 420 civil defence parking spaces of the property as at 31 August 2025 would be RMB64,260,000 (RENMINBI SIXTY FOUR MILLION TWO HUNDRED SIXTY THOUSAND) (100% interest attributable to the Group: RMB64,260,000).

(8) In valuing the Property Interest on the aforesaid assumptions, we have adopted Market Comparison Method. We have made reference to relevant sales comparables in the locality. The comparables are selected mainly based on the following criteria: ((i) the transaction took place in the past one year; (ii) quote in the past three months; (iii) comparables are located in the same city; (iv) the nature of the comparables is similar to the property. The unit prices of theses comparables range from about RMB150,000 to RMB200,000 per car park lot.

Details of the comparables considered are listed below:

Comparable	**Unit Rate** *(RMB/lot)*
Fuyue Xiangxi	200,000
Xixi Lijing	150,000
Jingrui Jingxi Green Pavilion	154,500

The major adjustments made to arrive at our valuation, include but not limited to the following:

Factor	**Adjustment**
Transaction type	–2% to 0%
Date of transaction	–8% to 0%
Location and environment	0% to 6%
Accessibility	0% to 6%
Age and maintenance	0% to 5%
Size	–2% to 0%

In arriving at the valuation, appropriate adjustments and analysis have been made to allow for the differences in various aspects including but not limited to location, accessibility, neighbourhood environment, and physical characteristics, such as building age and maintenance, size and other relevant matters between the property and the comparables. The general basis of adjustment is that if the subject property is better than the comparable, an upward adjustment is made. Alternatively, if the property is inferior to or less desirable than the comparable, a downward adjustment is made.

(9) Leslie Zeng, 5 years of experience in the valuation of properties in the PRC, inspected the property on 12 June 2025.

VALUATION REPORT

Property Interest		Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2025
3.	The right of use in portions of underground parking spaces of Ocean Seasons Phases West of Ningli Road, Lishui District, Nanjing, Jiangsu Province, the PRC (中華人民共和國江蘇省南京市溧水區寧溧公路以西萬和四季部分地下車位使用權)	The property comprises 1,027 unsold car parking spaces of Ocean Seasons, which was completed in 2020. The property is located in Lishui Industrial New Town of Nanjing. Developments nearby are mainly office and residential in nature. The property is served by several public bus routes. The total gross floor area of the property is 13,201.46 sq.m.. The land use rights of the property have been granted for terms of 70 years for residential use and 40 years for underground car parking use due to expire on 3 June 2088 and 3 June 2058 respectively.	As at the Valuation Date, the property was vacant.	No commercial value (See Note 8)

Notes:

(1) According to 1,027 Real Estate Transfer Registration Contact Forms, the land use rights of the property comprising a total site area of 74,676.43 sq.m. and the building ownership of the property with a total gross floor area of 13,201.46 sq.m. have been vested in 南京遠乾置業有限公司 (Nanjing Yuanqian Real Estate Co., Ltd.), a subsidiary of Sino-Ocean Group Holding Limited, for a term of 40 years due to expire on 3 June 2058.

(2) According to Planning Permit for Construction Land No. 320117201810244 dated 7 May 2018, the proposed construction land use of the property complies with the town planning requirements and permit for construction of a site area of 74,676.4 sq.m..

The property constitutes part of the scope of the above-said permit.

(3) According to Planning Permit for Construction Works No. 3201172201810570 dated 22 August 2018, the construction works of the property with a total permitted gross floor area 188,761 sq.m. are in compliance with the construction works requirements and have been approved.

The property constitutes parts of the scope of the above-said permit.

(4) According to 3 Permits for Commencement of Construction Works, the constructions of the property were permitted for construction with details as follows:

	Gross Floor Area (sq.m.)		
Permit No.	**Total GFA**	**Aboveground**	**Underground**
320124201809070401	71,696.80	44,417.20	27,279.60
320124202006051201	96,601.80	71,644.24	24,957.56
320124202004091101	20,423.79	16,723.79	3,700
Total	188,722.39		

The property constitutes parts of the scope of the above-said permits.

(5) According to Construction Works Completion Examination Form No. 32011720200015 dated 6 October 2020, the project with a total gross floor area of 131,163.41 sq.m. was completed.

The property constitutes parts of the scope of the above-said form.

(6) According to Commodity Housing Pre-sale Permit No. 202005015 dated 25 December 2020, the property was permitted for sale.

The property constitutes parts of the scope of the above-said permit.

(7) We have been provided with a legal opinion on the title of the property issued by the Company's PRC legal adviser which contains, inter-alia, the following information:

(a) 遠洋億家物業服務股份有限公司南京分公司 (Ocean Homeplus Property Service Corporation Limited Nanjing Branch), a subsidiary of Sino-Ocean Service Holding Limited, and 南京遠乾置業有限公司 (Nanjing Yuanqian Real Estate Co., Ltd.) entered into an asset handover confirmation letter, pursuant to which both parties confirmed the completion of the handover of 1,027 parking space assets on 15 November 2023 at the cost of RMB44.21 million. At the time of the transaction, due to regulatory restrictions in Nanjing, which prohibit entities other than individual property owners from acquiring independent title to parking spaces in residential developments, 遠洋億家物業服務股份有限公司南京分公司 (Ocean Homeplus Property Service Corporation Limited Nanjing Branch) was unable to complete the registration and title transfer procedures for the 1,027 parking spaces of the property.

(b) The Lishui District People's Court imposed a judicial seizure over the aforesaid 1,027 parking spaces for the period from 2 July 2024 to 1 July 2027. 遠洋億家物業服務股份有限公司南京分公司 (Ocean Homeplus Property Service Corporation Limited Nanjing Branch) has filed an objection to enforcement in respect of the seized parking spaces, which remains under judicial review as at the date hereof.

(c) On 8 April 2025, the Lishui District People's Court issued a ruling to accept the bankruptcy liquidation case of 南京遠乾置業有限公司 (Nanjing Yuanqian Real Estate Co., Ltd.). Pursuant to the relevant provisions of the Enterprise Bankruptcy Law of the People's Republic of China, the seizure over the 1,027 parking spaces should be lifted.

(d) As at the date of the legal opinion, 南京遠乾置業有限公司 (Nanjing Yuanqian Real Estate Co., Ltd.) has entered into bankruptcy proceedings. In the case that the 1,027 parking spaces of the property form part of 南京遠乾置業有限公司 (Nanjing Yuanqian Real Estate Co., Ltd.)'s bankruptcy, the aforementioned parking spaces will be deemed part of the bankruptcy estate and, pursuant to the relevant procedures prescribed under the *Enterprise Bankruptcy Law of the People's Republic of China*, will be subject to liquidation and sale. In such event, 遠洋億家物業服務股份有限公司南京分公司 (Ocean Homeplus Property Service Corporation Limited Nanjing Branch) will lose its rights and interests in the relevant parking space assets and will no longer be able to sell, assign or lease such assets to third parties.

(8) We have ascribed no commercial value to the Property Interest as the property is subject to legal issues mentioned above. However, for the Group's management reference, we are specially instructed to separately assess the market value of the said portion in its existing state on the following assumptions:

(a) the real estate title of the property is legally vested in 遠洋億家物業服務股份有限公司南京分公司 (Ocean Homeplus Property Service Corporation Limited Nanjing Branch) and the property can be freely transferred as at the Valuation Date; and

(b) all the land premium or purchase consideration has been fully settled.

Subject to the above assumptions, the market value of the Property Interest as at 31 August 2025 would be RMB48,780,000 (RENMINBI FORTY EIGHT MILLION SEVEN HUNDRED EIGHTY THOUSAND) (100% interest attributable to the Group: RMB48,780,000).

(9) In valuing the Property Interest on the aforesaid assumptions, we have adopted Market Comparison Method. We have made reference to relevant sales comparables in the locality. The comparables are selected mainly based on the following criteria: (i) the transaction took place in the past one year; (ii) quote in the past three months; (iii) comparables are located in the same city; (iv) the nature of the comparables is similar to the property. The unit prices of these comparables range from about RMB45,000 to RMB60,000 per car park lot.

Details of the comparables considered are listed below:

Comparable	**Unit Rate** *(RMB/lot)*
Yiyunhuafu	60,000
Wankeweilaicheng	45,000
Cuipingziqizhongshan	51,000

The major adjustments made to arrive at our valuation, include but not limited to the following:

Factor	**Adjustment**
Transaction type	–2% to 0%
Date of transaction	–3% to 0%
Location and environment	–2% to 0%
Accessibility	0% to 5%
Age and maintenance	0% to 5%

In arriving at the valuation, appropriate adjustments and analysis have been made to allow for the differences in various aspects including but not limited to location, accessibility, neighbourhood environment, and physical characteristics, such as building age and maintenance and other relevant matters between the property and the comparables. The general basis of adjustment is that if the subject property is better than the comparable, an upward adjustment is made. Alternatively, if the property is inferior to or less desirable than the comparable, a downward adjustment is made.

(10) Jon Yang, 12 years of experience in the valuation of properties in the PRC, inspected the property on 19 June 2025.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Interests of the Directors and chief executive of the Company

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(i) Interests in the Company

Nil.

(ii) Interests in an associated corporation of the Company

Name of Directors	Name of associated corporation	Nature of interests	Class of shares held	Number of shares held[(1)]	Approximate percentage of shareholding interest[(2)]
YANG Deyong	Sino-Ocean Group Company	Beneficial owner	Ordinary shares	118,777	0.0010%
ZHU Geying	Sino-Ocean Group Company	Beneficial owner	Ordinary shares	38,531	0.0003%
CUI Hongjie	Sino-Ocean Group Company	Beneficial owner	Ordinary shares	369,571	0.0032%

Notes:

(1) All interests stated are long positions.

(2) The shareholding percentage is calculated based on the total number of issued shares of Sino-Ocean Group Company of 11,654,987,204 as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which was required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests of the substantial shareholders of the Company

As at the Latest Practicable Date, so far as the Directors were aware, the following persons (other than the Directors or chief executive of the Company) had interests and/or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity and nature of interests	Number of Shares held[4]	Approximate percentage of shareholding in the Company[5]
Sino-Ocean Group Company	Interest of controlled corporation[1]	777,882,500	65.70%
Shine Wind	Beneficial owner[2]	755,600,000	63.82%
	Interest of controlled corporation[3]	22,282,500	1.88%

Notes:

(1) Shine Wind is a wholly-owned subsidiary of Sino-Ocean Group Company and therefore Sino-Ocean Group Company is deemed to be interested in the Shares held by Shine Wind.

(2) On 27 March 2025, Shine Wind, as chargor, entered into a charge over 605,600,000 Shares, representing approximately 51.15% of the Company's total number of issued Shares as at the Latest Practicable Date, in favour of GLAS Trust Corporation Limited, as collateral agent, as part of the restructuring of the relevant offshore indebtedness of Sino-Ocean Group which took effect on 27 March 2025.

(3) 22,282,500 Shares are held by a company in which Shine Wind is indirectly interested as to 49% and therefore, Shine Wind is deemed to be interested in these Shares by virtue of the SFO.

(4) All interests stated are long positions.

(5) The shareholding percentage is calculated based on the Company's total number of issued Shares of 1,184,000,000 Shares as at the Latest Practicable Date.

(6) As at the Latest Practicable Date, each of the following Directors was a director and/or an employee of Sino-Ocean Group Company:

Name of Directors	Position(s) held
Mr. HOU Min	Director of subsidiaries of Sino-Ocean Group Company
Mr. CUI Hongjie	Executive director and executive president of Sino-Ocean Group Company and director of subsidiaries of Sino-Ocean Group Company
Mr. ZHAI Senlin	General manager of the investment development center of Sino-Ocean Group Company and director of subsidiaries of Sino-Ocean Group Company

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than a Director or chief executive of the Company) who had an interest and/or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

3. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

4. MATERIAL CONTRACTS

Save for the Framework Agreement, the members of the Group did not enter into any contracts (not being contracts entered into in the ordinary course of business of the Group) within the two years immediately preceding the date of this circular which are or may be material.

5. LITIGATION AND CLAIMS

As at the Latest Practicable Date, so far as the Directors were aware, no member of the Group was involved in any litigation or claims of material importance, and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates was considered to have an interest in a business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

7. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the experts who have given an opinion or advice on the information contained in this circular:

Name	Qualification
Red Sun Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Cushman & Wakefield Limited	independent professional valuer

Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its opinion, letter or advice (as the case may be) and references to its name in the form and context in which they respectively appear.

Each of the experts confirmed that it did not have any shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, each of the experts was not interested, directly or indirectly, in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

9. MISCELLANEOUS

(a) The company secretary of the Company is Mr. SUM Pui Ying who is a fellow member of Hong Kong Institute of Certified Public Accountants and a fellow member of The Institute of Chartered Accountants in England and Wales.

(b) The registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(c) The headquarters of the Company in the PRC is at 3rd Floor, Tower A, Ocean International Center, 56 Dongsihuanzhonglu, Chaoyang District, Beijing, PRC.

(d) The principal place of business of the Company in Hong Kong is at Suite 601, One Pacific Place, 88 Queensway, Hong Kong.

(e) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited.

(f) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited.

(g) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Company (www.sinooceanservice.com) and the Stock Exchange (www.hkexnews.hk) from the date of this circular until 14 days thereafter:

(a) the Framework Agreement;

(b) the letter from the Independent Financial Adviser, the text of which is set out on pages 26 to 59 of this circular;

(c) the valuation report of the Target Assets, the text of which is set out in Appendix II to this circular;

(d) the consent letters referred to in the paragraph headed "Qualification and consent of experts" in this Appendix; and

(e) this circular.

遠洋服務
SINO-OCEAN SERVICE

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Sino-Ocean Service Holding Limited (the "**Company**") will be held at Meeting Room, 3rd Floor, Tower A, Ocean International Center, 56 Dongsihuanzhonglu, Chaoyang District, Beijing, PRC on Friday, 31 October 2025 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution. Capitalised terms contained in the circular dated 15 October 2025 issued by the Company shall have the same meanings when used herein unless otherwise specified.

ORDINARY RESOLUTION

(1) "**THAT**:

(a) the Framework Agreement, a copy of which has been produced to the EGM and marked "A" and initialed by the chairman of the EGM for identification purpose, and the transactions as contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one Director be and is hereby authorised to do all such acts and things and to sign and execute all such documents, instruments and agreements for and on behalf of the Company as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with paragraph (a) of this resolution."

Yours faithfully,
By order of the Board
Sino-Ocean Service Holding Limited
YANG Deyong
Joint Chairman

Hong Kong, 15 October 2025

Notes:

(a) The register of members of the Company will be closed from Monday, 27 October 2025 to Friday, 31 October 2025 (both days inclusive), during which period no transfer of shares in the Company can be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 24 October 2025.

(b) Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a Shareholder. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the EGM (i.e., not later than 10:00 a.m. on Wednesday, 29 October 2025 (Hong Kong Time)), or any adjourned meeting. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

(c) The Chinese translation of this notice is for reference only, and in the event of any inconsistency between the English and Chinese versions, the English version shall prevail.

(d) As at the date of this notice, the Board comprises three executive Directors, namely, Mr. YANG Deyong, Mr. HOU Min and Ms. ZHU Geying; two non-executive Directors, namely, Mr. CUI Hongjie and Mr. ZHAI Senlin; and three independent non-executive Directors, namely, Dr. GUO Jie, Mr. HO Chi Kin Sammy and Mr. LEUNG Wai Hung.