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DoThink® 德信服务
股份代号：2215.HK

Dexin Services Group Limited
德信服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO CAPITAL INCREASE AND DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

SOMERLEY CAPITAL LIMITED

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 4 to 26 of this circular. A letter from the Independent Board Committee is set out on pages 27 to 28 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 29 to 55 of this circular.

A notice convening the EGM to be held at 10/F, Dexin Group Building, No. 588, East Huanzhan Road, Shangcheng District, Hangzhou, Zhejiang, China on Wednesday, 11 March 2026 at 10:00 a.m. is set out on pages 88 to 89 of this circular.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m. on Monday, 9 March 2026) or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the form of proxy shall be deemed to be revoked.

24 February 2026

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

"associate(s)"	has the meaning ascribed to this term under the Listing Rules
"Board"	the board of Directors
"BVI"	The British Virgin Islands
"Capital Increase"	the proposed capital contribution in the Target Company in the amount of RMB96,912,442.40 by Deqing Kaisibo pursuant to the Capital Increase Agreement
"Capital Increase Agreement"	the capital increase agreement entered into on 23 February 2026 among Shengquan Technology, Zhida Xiaorui, Deqing Kaisibo and the Target Company in relation to the Capital Increase
"Company"	Dexin Services Group Limited (德信服务集团有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2215)
"Completion"	the completion of the Capital Increase pursuant to the Capital Increase Agreement
"connected person(s)"	has the meaning ascribed to this term under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to this term under the Listing Rules
"Deqing Kaisibo"	Deqing Kaisibo Enterprise Management Partnership Enterprise (Limited Partnership) (德清凯思博企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on 12 September 2025
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened at 10/F, Dexin Group Building, No. 588, East Huanzhan Road, Shangcheng District, Hangzhou, Zhejiang, China on Wednesday, 11 March 2026 at 10:00 a.m. to consider and, if thought fit, approve, among other things, the terms of the Capital Increase Agreement and the transactions contemplated thereunder
"First Completion"	the completion of the Previous Capital Increase pursuant to the Previous Capital Increase Agreement
"Group"	the Company and its subsidiaries

"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi, to advise the Independent Shareholders in relation to the terms of the Capital Increase Agreement
"Independent Financial Adviser"	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, and has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Capital Increase Agreement
"Independent Shareholder(s)"	The Shareholder(s) other than those who are required by the Listing Rules to abstain from voting at the EGM on the resolution to approve the transactions contemplated under the Capital Increase Agreement
"Latest Practicable Date"	23 February 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratio"	as defined under Rule 14.07 of the Listing Rules
"PRC"	the People's Republic of China, for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Previous Capital Increase"	the capital contribution in the Target Company in the amount of RMB10,300,000 by Deqing Kaisibo pursuant to the Previous Capital Increase Agreement
"Previous Capital Increase Agreement"	the capital increase agreement entered into on 15 September 2025 among Shengquan Technology, Zhida Xiaorui, Deqing Kaisibo and the Target Company in relation to the Previous Capital Increase
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shengfu International"	Shengfu International Limited (盛富國際有限公司), a company incorporated in the BVI with limited liability and one of the controlling shareholders of the Company
"Shengquan Labour Union"	Dexin Shengquan Property Service Co., Ltd. Labour Union (德信盛全物業服務有限公司工會), a labour union of the Target Company which was formed statutorily in the PRC
"Shengquan Technology"	ShengQuan Property Service Co., Ltd. (浙江盛全科技有限公司), a company established in the PRC with limited liability on 21 July 2025, which is a non-wholly owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Dexin Shengquan Property Services Co., Ltd. (德信盛全物業服務有限公司), a company established under the laws of the PRC with limited liability, which is a non-wholly owned subsidiary of the Company
"Target Group"	the Target Company and its subsidiaries
"Zhida Xiaorui"	Zhi Da Xiao Rui (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability on 14 October 2020, which is a non-wholly owned subsidiary of the Company
"%"	per cent



Dexin Services Group Limited
德信服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

Executive Directors:
Mr. Hu Yiping *(Chairman)*
Mr. Tang Junjie
Ms. Zheng Peng

Independent Non-executive Directors:
Dr. Wong Wing Kuen Albert
Mr. Rui Meng
Mr. Yang Xi

Registered Address:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
40th Floor
Dah Sing Financial Centre
No.248 Queen's Road East
Wanchai
Hong Kong

24 February 2026

To the Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO CAPITAL INCREASE AND DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

Reference is made to the announcement published by the Company on 23 February 2026 in relation to, among other things, the Capital Increase Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with (i) further information on the Capital Increase; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of the Capital Increase; and (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Capital Increase; (iv) the notice of the EGM; and (v) other information as required to be disclosed under the Listing Rules.

At the EGM, an ordinary resolution will be proposed to consider and approve the transactions contemplated under the Capital Increase Agreement. This circular is prepared to enable the Shareholders to have a better understanding of the resolution to be proposed at the EGM.

II. THE PREVIOUS CAPITAL INCREASE

The Previous Capital Increase Agreement

The principal terms of the Previous Capital Increase Agreement are set out as follows:

Date

15 September 2025 (after trading hours)

Parties

(1) The Target Company;

(2) Shengquan Technology;

(3) Zhida Xiaorui; and

(4) Deqing Kaisibo.

The Previous Capital Increase

Under the Previous Capital Increase, Deqing Kaisibo agreed to contribute RMB10,300,000 to subscribe for approximately 4.9% of the equity interest of the Target Company as enlarged by the Previous Capital Increase. The proportionate interest subscribed by Deqing Kaisibo was determined after arm's length negotiation among the parties, taking into account, among other things, the Target Group's funding requirements at the time of the Previous Capital Increase for the development plans as set out in the section headed "Intended Use of Proceeds from the Previous Capital Increase" below, as well as the financial resources and funding capability of

Deqing Kaisibo. The following table sets out the details of the equity interest of the Target Company before and immediately after the First Completion:

	Before First Completion		Immediately after Fist Completion	
	Amount of registered capital *(RMB)*	*%*	Amount of registered capital *(RMB)*	*%*
Shengquan Technology	190,000,000	95.0	190,000,000	90.3
Zhida Xiaorui	10,000,000	5.0	10,000,000	4.8
Deqing Kaisibo	—	—	10,300,000	4.9
Total	200,000,000	100.0	210,300,000	100.0

The completion of the Previous Capital Increase took place on 24 September 2025. Immediately after the completion of the Previous Capital Increase and as at the Latest Practicable Date, Shengquan Technology, Zhida Xiaorui and Deqing Kaisibo owned approximately 90.3%, 4.8% and 4.9% of the equity interest of the Target Company, respectively. The Target Company remained as a non-wholly owned subsidiary of the Company after the Previous Capital Increase.

Basis of Determination of the Amount of the Previous Capital Increase

The total subscription amount of Deqing Kaisibo under the Previous Capital Increase Agreement is RMB10,300,000, among which (i) RMB5,860,421, representing 56.9% of the subscription amount was duly settled by Deqing Kaisibo on 11 October 2025; and (ii) the remaining subscription amount of RMB4,439,579, representing 43.1% of the subscription amount, shall be paid no later than 31 December 2026.

The capital contribution schedule by Deqing Kaisibo was agreed after arm's length negotiation among the parties, taking into account, among other things, that (i) it is generally consistent with PRC market practice for shareholders to subscribe for registered capital and pay it in accordance with an agreed capital contribution schedule, rather than paying the full amount immediately, provided that such schedule is set within the statutory timeframe. The capital contribution schedule under the Previous Capital Increase Agreement complies with the statutory timeframe of five years set forth in the PRC Company Law; (ii) the Target Group has maintained a generally healthy liquidity position and low level of gearing, and the agreed capital contribution schedule ensures that the Target Group has sufficient funds to meet its capital expenditure needs without imposing immediate cash pressure on Deqing Kaisibo, which was taken into account because the ultimate beneficial owners of Deqing Kaisibo are employees of the Target Group and one of the objectives of the Previous Capital Increase was to benefit the employees of the Target Group and enhance employee retention and contribute to the long-term development of the Target Group; and (iii) a phased capital contribution arrangement provides better risk management by enabling the parties to make capital injections in stages in line with

business progress and funding requirements. In view of the above, the Directors consider that the settlement term for the Previous Capital Increase is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

The subscription amount was arrived at after arm's length negotiations among the parties with reference to, among other things:

(i) the subscription structure of the Previous Capital Increase, pursuant to which Deqing Kaisibo made a capital contribution equal to the increase in registered capital of the Target Company; and

(ii) the reasons for and benefits of the Previous Capital Increase as stated under the paragraph headed "Reasons for and Benefits of the Previous Capital Increase".

Conditions Precedent

Conditions precedent to the First Completion

The First Completion was conditional upon the satisfaction or waiver of the following conditions:

(i) the business registration change of the Previous Capital Increase has been formally completed, the filing/record-filing receipt for the change and the Target Company's new business license have been issued, and a scanned copy of the new business license has been provided to Deqing Kaisibo;

(ii) from the signing date of the Previous Capital Increase Agreement to the date of the First Completion, Shengquan Technology, Zhida Xiaorui, and the Target Company's obligations or representations and warranties under the Previous Capital Increase Agreement are true, accurate and valid in all material respects, and they have performed the undertakings required under the Previous Capital Increase Agreement to be performed on or before the date of the First Completion, and there has been no breach of the Previous Capital Increase Agreement;

(iii) from the signing date of the Previous Capital Increase Agreement to the date of the First Completion, no circumstance, change, or effect that, alone or together with any other circumstance, change, or effect has occurred which (a) has had or may have a material adverse effect on the Target Company's business, operations, assets, liabilities (including contingent liabilities), results of operations, financial condition, or prospects; (b) has had or may have a material adverse effect on the Target Company's qualifications or ability to operate and conduct its business in the manner in which it is currently operating or conducting, or proposes to operate or conduct, its

business; or (c) has had or may have a material adverse effect on the execution or performance of the Previous Capital Increase Agreement or the transactions contemplated hereunder; and

(iv) since the signing date of the Previous Capital Increase Agreement, there is no effective applicable law that renders the transactions contemplated under the agreement illegal, or that prevents, blocks, or prohibits completion of the transactions contemplated under the agreement.

Deqing Kaisibo had the right to waive all or part of the aforesaid completion conditions in writing.

As at the Latest Practicable Date, all the conditions precedent had been fulfilled, and the First Completion took place on 24 September 2025.

Reasons for and Benefits of the Previous Capital Increase

The purpose and objective of the Previous Capital Increase was to (i) provide an opportunity to the employees of the Target Group, who are the ultimate beneficial owners of Deqing Kaisibo, to subscribe for a stake in the Target Group; and (ii) enrich the working capital and cash flow of the Target Group, which will help consolidate the financial and cash position of the Target Group. Therefore, the Company believed that the Previous Capital Increase and the transaction contemplated thereunder were in line with the Group's strategic development direction and would help enhance the Company's shareholder value.

As at the date of the Previous Capital Increase Agreement, Deqing Kaisibo was held as to 66.0% by Shengquan Labour Union, a labour union of the Target Company statutorily formed under the PRC laws, which represents the employees of the Target Group and safeguards employees' lawful rights and interests. The subscription of equity interests by the Shengquan Labour Union through Deqing Kaisibo was intended to benefit the employees of the Target Group. The Directors are of the view that by providing the employees of the Target Group an opportunity to subscribe for a stake in the Target Group, it will align the employees' interests with the goals of the Target Group, and thereby enhance employee retention and contribute to the long-term development of the Target Group.

The Directors have also considered the debt ratio and liquidity position of the Target Group. For details, please refer to the section headed "Reasons for and Benefits of the Capital Increase" below.

Having considered the above reasons, the Directors (including the independent non-executive Directors) were of the view that the terms of the Previous Capital Increase are fair and reasonable, on normal commercial terms and in the interests of the Shareholders and the Group as a whole.

Financial Effect Arising from the Deemed Disposal on the Group

After the First Completion, the total equity holding in the Target Company held by Shengquan Technology and Zhida Xiaorui was diluted from 100% to approximately 95.1%. The Target Company remained a non-wholly owned subsidiary of the Company and its financial results continue to be consolidated with the financial statements of the Group.

According to the applicable Hong Kong Financial Reporting Standards, the transaction is considered to be an equity transaction and it is expected that no gain or loss will be recognised in profit or loss arising from the Previous Capital Increase, and there will be no remeasurement or derecognition of the assets and liabilities of the Target Group in the consolidated financial statements of the Group as a result of the Previous Capital Increase. In any event, the actual amounts of the relevant adjustments within consolidated equity to be recorded by the Group are to be determined as at completion and subject to audit. The Group is expected to record net proceeds from the Previous Capital Increase of approximately RMB10.3 million.

Intended Use of Proceeds from the Previous Capital Increase

The Company intends to apply the net proceeds from the Previous Capital Increase as working capital and cash reserves for the development of the Target Group's property management business, subject to the Target Group's business needs, prevailing market and operating conditions from time to time, with a focus on supporting the Target Group's technology-enabled property management initiatives (including the adoption and rollout of artificial intelligence and robotic solutions and related system enhancement). As at the Latest Practicable Date, the proceeds from the Previous Capital Increase remained unutilised. Given the fast-evolving nature of AI and intelligent equipment applications, and the market conditions in which many competitors of the Target Group (including those based in Hangzhou where the Company's head office is located) have begun exploring such applications to enhance competitiveness, it is prudent for the Target Group to maintain sufficient liquidity and financial flexibility to respond promptly to market opportunities and operational needs (including evaluating, procuring and deploying suitable solutions and arranging related implementation and operational support) as they arise, in order to maintain competitiveness. For example, as at the Latest Practicable Date, the Target Group has commenced the adoption of smart equipment in its operations, and has entered into two framework agreements for the rental of floor cleaning robots, both for a term of three years, and the Target Group expects to continue to enter into similar arrangements from time to time in the ordinary and usual course of business as it rolls out and upgrades technology-enabled solutions across its property management projects.

Implications of the Previous Capital Increase under the Listing Rules

As at the date of the Previous Capital Increase Agreement, the partnership interests of Deqing Kaisibo were held as to (i) 66.0% by Shengquan Labour Union; (ii) 17.0% by Mr. Tang Junjie, an executive Director; (iii) 8.5% by Ms. Zheng Peng, an executive Director; and (iv) 8.5% by Mr. Liu Yibing (劉義兵), the executive vice president of the Company. Mr. Liu Yibing was the sole general partner of Deqing Kaisibo, and was not a connected person of the Company at the material time. To the best knowledge and belief of the Directors, as at the date of the Previous Capital Increase Agreement, Deqing Kaisibo was independent of the Company and its connected persons, and none of the limited partners of Deqing Kaisibo had any relationship among themselves that would result in Deqing Kaisibo becoming a connected person of the Company. The Previous Capital Increase did not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Accordingly, each of Mr. Tang Junjie and Ms. Zheng Peng was considered to have a material interest in the Previous Capital Increase and had abstained from voting on the board resolution approving the Previous Capital Increase. Save as disclosed, none of the other Directors had a material interest in the Previous Capital Increase or was required to abstain from voting from the resolution of the Directors for considering and approving the same pursuant to the articles of association of the Company.

Upon completion of the Previous Capital Increase, the Group's equity interest in the Target Company was reduced to approximately 95.1%. The Previous Capital Increase therefore constituted deemed disposal under Rule 14.29 of the Listing Rules for the Company. As one or more of the percentage ratios applicable to the Company in respect of the Previous Capital Increase exceed 5% but all are less than 25%, the Previous Capital Increase constituted a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Please refer to the announcement of the Company dated 23 February 2026 in relation to the Previous Capital Increase.

III. THE CAPITAL INCREASE AGREEMENT'

The principal terms of the Capital Increase Agreement are set out as follows:

Date

23 February 2026 (after trading hours)

Parties

(1) The Target Company;

(2) Shengquan Technology;

(3) Zhida Xiaorui; and

(4) Deqing Kaisibo.

The Capital Increase

Under the Capital Increase, Deqing Kaisibo conditionally agreed to contribute RMB96,912,442.40 to subscribe for approximately 30.0% of the equity interest of the Target Company as enlarged by the Capital Increase. The proportionate interest to be subscribed by Deqing Kaisibo was determined after arm's length negotiation among the parties, taking into account, among other things, the Target Group's funding requirements for the development plans as set out in the section headed "Intended Use of Proceeds" below, as well as the financial resources and funding capability of Deqing Kaisibo. The following table sets out the details of the equity interest of the Target Company before and immediately after the Completion:

	Before the Completion		**Immediately after the Completion**	
	Amount of registered capital *(RMB)*	*%*	**Amount of registered capital** *(RMB)*	*%*
Shengquan Technology	190,000,000	90.3	190,000,000	61.8
Zhida Xiaorui	10,000,000	4.8	10,000,000	3.3
Deqing Kaisibo	10,300,000	4.9	107,212,442.40	34.9
Total	210,300,000	100.0	307,212,442.40	100.0

Immediately after the Completion, Shengquan Technology, Zhida Xiaorui and Deqing Kaisibo will own approximately 61.8%, 3.3% and 34.9% of the equity interest of the Target Company, respectively. The Target Company will remain as a non-wholly owned subsidiary of the Company.

Basis of Determination of the Amount of the Capital Increase

The total subscription amount to be paid by Deqing Kaisibo under the Capital Increase Agreement is RMB96,912,442.40, among which RMB55,114,105.99, representing 56.9% of the subscription amount, shall be paid upon the Completion and no later than 30 June 2026, while the remaining subscription amount of RMB41,798,336.41, representing 43.1% of the subscription amount, shall be paid no later than 31 December 2027.

The capital contribution schedule by Deqing Kaisibo was agreed after arm's length negotiation among the parties, taking into account, among other things, that (i) it is generally consistent with PRC market practice for shareholders to subscribe for registered capital and pay it in accordance with an agreed capital contribution schedule, rather than paying the full amount immediately, provided that such schedule is set within the statutory timeframe. The capital contribution schedule under the Capital Increase Agreement complies with the statutory timeframe of five years set forth in the PRC Company Law; (ii) the Group has maintained a generally healthy liquidity position and low level of gearing, and the agreed capital contribution

schedule ensures that the Group has sufficient funds to meet its capital expenditure needs without imposing immediate cash pressure on Deqing Kaisibo, which was taken into account because the ultimate beneficial owners of Deqing Kaisibo are employees of the Target Group and one of the objectives of the Capital Increase was to benefit the employees of the Target Group and enhance employee retention and contribute to the long-term development of the Target Group; and (iii) a phased capital contribution arrangement provides better risk management by enabling the parties to make capital injections in stages in line with business progress and funding requirements as set out in the section headed "Intended Use of Proceeds" below, rather than injecting the full amount upfront.

The Company has considered whether a phased registration of equity interests in the Target Company should be adopted to match the settlement term of the subscription amount and the Target Group's funding needs. Having taken into account the PRC company registration procedures and prevailing market practice of adopting a one-off equity registration despite a phased capital contribution schedule, the Company considers it more practical to complete the Capital Increase by way of a one-off equity registration. A phased registration would involve another round of business registration changes, which would increase administrative time and costs without providing additional commercial benefit given that the timing of cash injection is already aligned through the agreed instalment payment schedule. Furthermore, adopting a one-off equity registration arrangement is not prejudicial to the interests of the Company, as the Target Company will retain rights and remedies under the Capital Increase Agreement, the articles of association of the Target Company and applicable PRC laws, including the right to demand that Deqing Kaisibo make immediate payment of any overdue capital contribution and to pursue claims against Deqing Kaisibo for losses arising from any breach; and where Deqing Kaisibo, after being duly demanded, still fails to pay the capital contribution within a reasonable period, the Target Company may, subject to the requisite corporate approvals, remove Deqing Kaisibo's shareholder qualification in accordance with applicable PRC laws.

In view of the above, the Directors consider that the settlement term of the Capital Increase is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

The subscription amount was arrived at after arm's length negotiations among the parties with reference to, among other things:

(i) the valuation (the "**Valuation**") of the Target Group as at 30 November 2025 (the "**Valuation Date**") of RMB247,965,000 as appraised by AVISTA Valuation Advisory Limited (the "**Valuer**"), an independent valuer. For details of the Valuation, please refer to Appendix II to this circular;

(ii) the reasons for and benefits of the Capital Increase as stated under the paragraph headed "Reasons for and Benefits of the Capital Increase"; and

(iii) the subscription amount represents a premium of approximately 30.3% to the proportionate appraised value of Target Group. In determining the subscription amount, the parties considered that the Valuation is prepared as at the Valuation Date and is subject to the assumptions and methodologies adopted by the Valuer, and that the subscription amount was ultimately agreed having regard to, among others, (a) the Target Group's business prospects under prevailing market and industry conditions, including the expected demand for professional property management services and the anticipated expansion of the Target Group's property management business; and (b) the parties' commercial assessment of the Target Group's long-term development potential including the expected benefits from the planned initiatives as set out under "Intended Use of Proceeds" which are intended to enhance service capability, operating efficiency and competitiveness. The parties to the Capital Increase Agreement (including Deqing Kaisibo whose ultimate beneficial owners are employees of the Target Group, and the relevant subsidiaries of the Group) are familiar with the Target Group's operations, management capability and the market and industry in which it operates, and therefore were willing to agree to the subscription amount set at a premium of the appraised value.

Conditions Precedent

Conditions precedent to the business registration change

The obligation of the Target Company to complete the business registration change in relation to the Capital Increase is conditional upon the satisfaction or waiver of the following conditions (the "**Business Registration Change Conditions**"):

(i) Shengquan Technology, Zhida Xiaorui, and the Target Company have obtained all necessary corporate approvals and authorisations for the execution, delivery and performance of the Capital Increase Agreement and the completion of all transactions contemplated thereunder (including the Independent Shareholders' approval at the EGM, as well as the shareholders' resolutions and board resolutions of Shengquan Technology, Zhida Xiaorui, and the Target Company);

(ii) Shengquan Technology, Zhida Xiaorui, and the Target Company have executed and delivered all documents relating to the Capital Increase;

(iii) Shengquan Technology and Zhida Xiaorui have waived in writing any pre-emptive subscription right, right of first refusal, right of first offer, or other similar preferential rights (if any) with respect to the transactions contemplated under the Capital Increase Agreement;

(iv) the shareholders' meeting and the board of directors of the Target Company have adopted duly effective resolutions (in a form and substance acceptable to Deqing Kaisibo) approving: (a) the execution of the Capital Increase Agreement and the transactions contemplated hereunder, and authorising the same; (b) amendments to the Target Company's articles of association; and (c) reconstituting the Target Company's board of directors and appointing the persons nominated by Deqing Kaisibo as the Target Company's supervisor(s) and person in charge of finance;

(v) from the signing date of the Capital Increase Agreement to the date of the business registration change application, the obligations or the representations and warranties of Shengquan Technology, Zhida Xiaorui and the Target Company as agreed in the Capital Increase Agreement or other transaction documents are true, accurate and valid in all material respects; and they have performed the undertakings that are required under the Capital Increase Agreement to be performed on or before the date of Completion, and there has been no breach of the Capital Increase Agreement;

(vi) from the signing date of the Capital Increase Agreement to the date of the business registration change application, no circumstance, change, or effect that, alone or together with any other circumstance, change, or effect has occurred which (a) has had or may have a material adverse effect on the Target Company's business, operations, assets, liabilities (including contingent liabilities), results of operations, financial condition, or prospects; (b) has had or may have a material adverse effect on the Target Company's qualifications or ability to operate and conduct its business in the manner in which it is currently operating or conducting, or proposes to operate or conduct, its business; or (c) has had or may have a material adverse effect on the execution or performance of the Capital Increase Agreement or the transactions contemplated hereunder; and

(vii) since the signing date of the Capital Increase Agreement, there is no effective applicable law that renders the transactions contemplated under the agreement illegal, or that prevents, blocks, or prohibits completion of the transactions contemplated under the Capital Increase Agreement.

Deqing Kaisibo may waive all or part of the aforesaid Business Registration Change Conditions in writing.

Conditions precedent to the Completion

The Completion is conditional upon the satisfaction or waiver of the following conditions (the "**Completion Conditions**"):

(i) each of the Business Registration Change Conditions has been satisfied and remains satisfied (except to the extent waived in writing by Deqing Kaisibo);

(ii) the business registration change has been formally completed, the filing/record-filing receipt for the change and the Target Company's new business license have been issued, and a scanned copy of the new business license has been provided to Deqing Kaisibo;

(iii) from the signing date of the Capital Increase Agreement to the date of the Completion, Shengquan Technology, Zhida Xiaorui, and the Target Company's obligations or representations and warranties under the Capital Increase Agreement are true, accurate and valid in all material respects, and they have performed the undertakings required under the Capital Increase Agreement to be performed on or before the date of the Completion, and there has been no breach of the Capital Increase Agreement;

(iv) from the signing date of the Capital Increase Agreement to the date of the Completion, no material adverse effect event has occurred; and

(v) since the signing date of the Capital Increase Agreement, there is no effective applicable law that renders the transactions contemplated under the agreement illegal, or that prevents, blocks, or prohibits completion of the transactions contemplated under the agreement.

Deqing Kaisibo may waive all or part of the aforesaid Completion Conditions in writing.

As at the Latest Practicable Date, none of the conditions precedent have been fulfilled.

IV. VALUATION

According to the Valuation, the appraised value of the entire equity interest of the Target Group as at 30 November 2025 was RMB247,965,000. For details of the Valuation, please refer to Appendix II to this circular.

Having considered (i) the qualifications of the Valuer of which the signor of the valuation report, Mr. Vincent C B Pang, the managing partner of the Valuer, is a member of CFA Institute and CPA Australia, a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of Royal Institution of Chartered Surveyors (RICS) and a RICS registered valuer; (ii) the experience of Mr. Pang, who has more than 20 years of experience in the financial valuation and business consulting in Hong Kong and China; and (iii) the independence of the Valuer which, to the best of the knowledge of the Directors, is an Independent Third Party, the Board is of the view that the Valuer is qualified, experienced and competent in performing valuation and providing opinion in respect of the valuation of the Target Group.

The Board has reviewed and analysed the assumptions and methodology of the Valuation, and enquired with the Valuer and the Company's management about the valuation and its assumptions and methodology. The Valuer is of the view that the cost approach is more appropriate for industries in which companies' assets are highly liquid as such approach assumes that the assets and liabilities are separable and can be sold separately. This does not adequately account for the economic benefits generated by the Target Group's business operations. The income approach is also considered inappropriate, as it relies on numerous assumptions in formulating the financial projections of the Target Group, and the assumptions may not reflect uncertainties in the future performance of the Target Group. Improper assumptions may have a significant impact on the fair value. In view of these limitations, the Valuer adopted the comparable companies method under market approach, which considers the price multiples of comparable companies based on market consensus to reflect the appraised value of the Target Group.

The Board notes that the Valuer has considered different valuation methodologies and has adopted the market approach given the Target Group's operational characteristics, and that the market approach introduces objectivity as it uses publicly available inputs. The Board agrees with the Valuer's adoption of the market approach in the Valuation, having noted the limitations of other valuation approaches, which are further elaborated by the Valuer in the Valuation Report as set out in Appendix II to this circular.

The Board understands that the parameters adopted in the Valuation Report were determined with reference to the information in respect of a set of comparable companies. In setting the selection criteria for comparable companies, the Valuer considers that (i) the primary industry of the companies is real estate operating companies under the Global Industry Classification Standard, as extracted from S&P Capital IQ; (ii) over 90% of the revenue is derived from the provision of property management services in the PRC; (iii) over 50% of the revenue is generated from independent third parties; (iv) the companies are listed in major stock exchanges in Hong Kong and the PRC; and (v) the financial information of the companies is publicly available. As a result, the Valuer identified an exhaustive list of ten comparable companies that are considered fair and representative samples.

The Board has obtained and reviewed the Valuation Report and has communicated fully with the Valuer to understand the source, professionalism, and reliability of the industry data obtained by the Valuer. In assessing the fairness and reasonableness of the selection criteria, the Board considers that the criteria enable the Valuer to identify companies operating within the same industry as the Target Group and provide sufficient information for the purpose of conducting the Valuation. The Board also considers that the selection criteria were formulated with comprehensive consideration of business comparability with the Target Group. Based on the above, the Board considers that the selection of comparable companies is fair and reasonable.

In respects of the pricing multiples adopted by the Valuer, the Valuer considered price-to-earnings ("**P/E**"), price-to-book ("**P/B**"), price-to-sales ("**P/S**"), enterprise value/sales ("**EV/S**"), enterprise value/earnings before interests and taxes ("**EV/EBIT**") and enterprise value/earnings before interest, taxes, depreciation and amortisation ("**EV/EBITDA**") multiples. As P/B multiple reflects only the book value of the tangible assets and does not capture intangible company-specific competencies and advantages, and the P/S and EV/S multiples do not take into account profitability, these multiples are considered inappropriate for deriving the fair value of the Target Group. The P/E multiple is also considered inappropriate because it does not capture differences in financial leverage and related risk features across companies. Similar to the EV/EBIT multiple, earnings under the P/E and EV/EBIT multiples may include non-cash items such as depreciation and amortisation. Based on the above, the Valuer considers the EV/EBITDA multiple to be the most appropriate indicator, as it reduces differences arising from capital structure, taxation and depreciation methods. The Board agrees with the selection of the multiple in the Valuation, having noted the limitations of each multiple considered by the Valuer, which are further elaborated in the Valuation Report set out in Appendix II to this circular.

In respect of the assumptions adopted by the Valuer in forming its opinion, the Board understands that the Valuer relied on the latest management accounts and financial statements for the 11-month period ended 30 November 2025 and the year ended 31 December 2024. Key assumptions, including that there would be no material changes in existing macroeconomic conditions or in the conditions associated with the assets being valued, and that the Target Group would continue operating with sufficient liquidity and capability, are commonly adopted in valuations of similar nature. The Board concludes that no material factors have been identified that would cause the Board to doubt the fairness and reasonableness of the principal bases and assumptions adopted by the Valuer for the information used in the Valuation.

In the valuation exercise, the Valuer adopt the lack of marketability discount ("**LOMD**") to reflect the fact that there is no ready market for shares in the Target Group. As the EV/EBITDA multiples adopted in the Valuation were derived from publicly listed companies, they represent marketable ownership interests. The fair value calculated using such EV/EBITDA multiple therefore represents a marketable interest. Accordingly, the LOMD was applied to adjust the fair value of a marketable interest to that of a non-marketable interest. The estimated LOMD was determined with reference to the "Stout Restricted Stock Study Companion Guide (2024 edition)" published by Stout Risius Ross, LLC, a reputable research company, which suggests a marketability discount of 20.4%. After reviewing the Valuation Report and discussing with the Valuer, the Board understands that LOMD is commonly adopted in valuations to reflect differences in marketability between comparable companies and the subject asset, and the Board is satisfied with the LOMD applied. Therefore, the Board considers that the adoption of LOMD is justifiable.

Based on the above, the Board concurs with the views of the Valuer that the market approach is the appropriate approach, the EV/EBITDA multiple is the most suitable pricing multiples, the selection of comparable companies and the adopted parameters are fair and reasonable.

V. REASONS FOR AND BENEFITS OF THE CAPITAL INCREASE

The purpose and objective of the Capital Increase is to (i) provide an opportunity to the employees of the Target Group, who are the ultimate beneficial owners of Deqing Kaisibo, to subscribe for a stake in the Target Group; and (ii) enrich the working capital and cash flow of the Target Group, which will help consolidate the financial and cash position of the Target Group. Therefore, the Company believes that the Capital Increase and the transaction contemplated thereunder are in line with the Group's strategic development direction and will help enhance the Company's shareholder value.

Deqing Kaisibo is held as to 6.17% by Shengquan Labour Union, a labour union of the Target Company statutorily formed under the PRC laws, which represents the employees of the Target Group and safeguards employees' lawful rights and interests. The subscription of equity interests by the Shengquan Labour Union through Deqing Kaisibo is intended to benefit the employees of the Target Group. The Directors are of the view that by providing the employees of the Target Group an opportunity to subscribe for a stake in the Target Group, it will align the employees' interests with the goals of the Target Group, and thereby enhance employee retention and contribute to the long-term development of the Target Group.

The Directors have also considered the debt ratio and liquidity position of the Target Group. The Target Group's current ratio was 1.4 times and the gearing ratio (total borrowings divided by total equity) was 0.02 as at 30 June 2025. The Directors consider that although the Target Group maintained a generally healthy liquidity position and low level of gearing, it is prudent to strengthen the funding resources of the Target Group for its business development. The Capital Increase will provide additional funds to the Target Group to enhance its liquidity and financial flexibility, thereby supporting its ability to undertake necessary capital expenditures, meet working capital needs and pursue business opportunities, as detailed in the section headed "Intended Use of Proceeds" below.

In terms of the timing of the Previous Capital Increase and the Capital Increase, the Directors are of the view that the Previous Capital Increase only provided an initial working capital of a limited amount for general operations and early-stage technology deployment of the Target Group, and it is appropriate for the Target Group to seek additional funding and support from the Capital Increase to support the broader development plan of the Target Group to be implemented in the next few years as detailed in the section headed "Intended Use of Proceeds."

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase are fair and reasonable, on normal commercial terms and in the interests of the Shareholders and the Group as a whole.

VI. FINANCIAL EFFECT ARISING FROM THE DEEMED DISPOSAL ON THE GROUP

After the Completion, the total equity holding in the Target Company held by Shengquan Technology and Zhida Xiaorui will be diluted from 95.1% to approximately 65.1%. The Target Company will remain a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the financial statements of the Group.

According to the applicable Hong Kong Financial Reporting Standards, the transaction is considered to be an equity transaction and it is expected that no gain or loss will be recognised in profit or loss arising from the Capital Increase, and there will be no remeasurement or derecognition of the assets and liabilities of the Target Group in the consolidated financial statements of the Group as a result of the Capital Increase. In any event, the actual amounts of the relevant adjustments within consolidated equity to be recorded by the Group are to be determined as at completion and subject to audit. Based on a preliminary assessment, it is estimated that the Group will record net proceeds on the Capital Increase of approximately RMB96.2 million, which is equal to RMB96.9 million (being the capital contribution under the Capital Increase Agreement) less RMB0.69 million (being the legal and other professional fees of HK$0.77 million in relation to the Capital Increase).

VII. INTENDED USE OF PROCEEDS

The Company intends to apply the net proceeds from the Capital Increase as operating cash flow for the development of the Target Group's property management business. Subject to the Target Group's business needs, prevailing market and operating conditions from time to time, the net proceeds are intended to be applied as follows:

(i) approximately RMB28.9 million, representing 30% of the net proceeds, will be applied for the development of smart security and safety management upgrades, including the adoption of security patrol robots with 24-hour autonomous patrol capabilities and functions such as facial and licence plate recognition, detection of objects thrown from height, perimeter intrusion, crowd gathering and occupation of fire access routes, and the integration of such solutions with the Internet of Things (IoT) platform and the Target Group's property management system to enhance security response and on-site management efficiency across residential communities, industrial parks, commercial complexes and data centre perimeters. Such upgrades will be implemented in a prudent and phased manner, starting with the assessment of operational needs and selection of appropriate projects for trial deployment, followed by refinement of workflows and system integration based on trial results before broader roll-out. Deployment prerequisites such as patrol robots' route planning, connectivity and charging arrangements will be taken into account. It is expected that RMB16.3 million will be utilised progressively on or before the end of 2028, and the remaining RMB12.5 million will be utilised progressively thereafter and in any event on or before the end of 2030;

(ii) approximately RMB24.0 million, representing 25% of the net proceeds, will be applied for market footprint optimisation and business scale expansion, including increased market investment in core city clusters (such as the Yangtze River Delta and the Pearl River Delta) to enhance project sourcing and acquisition capabilities, the rollout of standardised management systems and digital platforms and service quality enhancement for newly acquired projects to improve renewal rates and profitability, the strengthening of teams for market development, business negotiation, project due diligence and post-investment management, and potential equity cooperation, project mergers and acquisitions and/or business integration with regional property management companies, urban service operators and related industry chain participants to acquire scale, talent and resources and strengthen regional penetration. Such market optimisation and scale expansion will be implemented in phases, and key cities will be selected for trial deployment before wider roll-out. It is expected that RMB13.6 million will be utilised progressively on or before the end of 2028, and the remaining RMB10.4 million will be utilised progressively thereafter and in any event on or before the end of 2030;

(iii) approximately RMB19.3 million, representing 20% of the net proceeds, will be applied for upgrading of facility operations through predictive maintenance and intelligent energy management, including the adoption of facility inspection robots for equipment condition monitoring (such as meter readings, temperature and abnormal noise detection) and inspection for issues including pipeline leakage, for use in equipment rooms, power distribution rooms, pump rooms and underground pipeline scenarios. This will be implemented on a phased basis, prioritising sites and equipment types where inspection is relatively frequent and operational risks are relatively more significant, and intends to progressively enhance closed-loop handling by linking inspection results with work order dispatch and rectification follow-up through its systems. Trial deployment and iterative optimisation will be conducted prior to wider roll-out, with a view to improving operational stability and cost-effectiveness. It is expected that RMB10.9 million will be utilised progressively on or before the end of 2028, and the remaining RMB8.4 million will be utilised progressively thereafter and in any event on or before the end of 2030;

(iv) approximately RMB14.4 million, representing 15% of the net proceeds, will be applied for enhancement of cleaning and hygiene services, including the adoption of cleaning and disinfection robots for automated sweeping, floor scrubbing/washing, vacuuming, waste collection and removal, and UV and/or spray disinfection, and the use of data (including footfall data) to optimise cleaning frequency and route planning in areas such as corridors, lobbies, car parks and public restrooms. Deployment in scenarios with relatively standardisable workflows and higher labour intensity will be prioritised, and the Target Group will progressively optimise route planning and cleaning frequency by reference to operational data (including, where available, footfall and task completion data). The Company also intends to establish contingency arrangements and operating procedures (including for equipment downtime and

exception handling) to support service continuity. It is expected that RMB8.2 million will be utilised progressively on or before the end of 2028, and the remaining RMB6.3 million will be utilised progressively thereafter and in any event on or before the end of 2030; and

(v) approximately RMB9.6 million, representing 10% of the net proceeds, will be applied for service capability enhancement and customer experience improvement, including the adoption of delivery and service robots for point-to-point delivery of parcels, takeaway and documents, integration with access control systems, and provision of visitor wayfinding, information broadcasting and guided services, for use in scenarios such as intra-building "last 100 metres" delivery, hotel room services and visitor reception/guidance. Suitable projects and scenarios will be selected for trial deployment, taking into account workflow clarity and integration feasibility (including access control systems and, where applicable, lift control arrangements), and to refine customer-facing processes and exception-handling procedures based on trial results prior to broader roll-out. It is expected that RMB5.4 million will be utilised progressively on or before the end of 2028, and the remaining RMB4.2 million will be utilised progressively thereafter and in any event on or before the end of 2030.

The Company intends to utilise the net proceeds from the Capital Increase progressively from 2026 onwards in accordance with the Target Group's implementation schedule as set out above. The Target Group's development plan comprises multiple initiatives to be implemented across 2026–2030 (with different initiatives requiring different lead times for evaluation, procurement, deployment, integration and scaling). The dates stated above represent the expected latest time by which the respective portions of proceeds will be substantially utilised, rather than that the funding needs will only arise in or after the specified dates. The Company considers that the Capital Increase would provide the Target Group with a funding buffer to execute the initiatives set out above in a timely manner as business opportunities arise.

The Company has formulated a phased implementation plan for the progressive adoption of the above deployment in property management scenarios, guided by the principles of strategic direction, demand-driven deployment, pilot-first implementation, iterative optimisation and industry collaboration, and focuses on practical, efficient, controllable and replicable applications. The implementation is expected to be carried out in four stages, comprising (i) a preparation and pilot planning phase (by around June 2026) involving scenario research, needs identification, solution selection and the establishment of basic supporting arrangements, (ii) a pilot deployment phase (by around the end of 2026) to validate feasibility through human-machine collaboration and data-driven optimisation, (iii) a scaling-up phase (from 2026 onwards to 2028) to replicate proven models across a broader portfolio and establish standardised operation and maintenance capabilities and application standards, and (iv) a longer-term industry chain deepening phase (from around 2028 onwards), subject to market opportunities and strategic assessment, to explore deeper collaboration and/or integration with robotics manufacturers and related partners.

The Company also intends to put in place internal coordination and oversight arrangements for implementation (including vendor management, training and maintenance planning) and will monitor performance with reference to factors such as service quality, operational stability and cost efficiency. The Company will review the Target Group's business needs and implementation progress from time to time. In assessing the feasibility of the initiatives contemplated under this section, the Company has considered, among other things, the evolving policy environment, technology maturity, operational readiness and potential economic benefits, and will continue to evaluate relevant factors (including stakeholder acceptance) during trial and roll-out.

The Company believes that the net proceeds from the Capital Increase of RMB96.2 million are sufficient for the uses set forth above and no further financing is required to implement the aforementioned development plans. To the extent that the net proceeds are not sufficient for funding the uses set forth above, the Company will fund the balance through a variety of means including cash generated from its operations and bank financing.

VIII. INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in the provision of property management services, community value-added services and value-added services to non-property owners.

Shengquan Technology

Shengquan Technology is a company established in the PRC with limited liability, and it serves as an intermediate holding company of the Group in the PRC. It is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, Shengquan Technology is wholly owned by Sheng Quan Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, which is in turn held as to (i) 99.91% by Shengping International Limited, a direct wholly owned subsidiary of the Company; and (ii) 0.09% by Chongping Hiuchi Company Limited, a company wholly owned by Mr. Tang Junjie, an executive Director.

Zhida Xiaorui

Zhida Xiaorui is a company incorporated in Hong Kong with limited liability, and is primarily engaged in investment holding. It is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, Zhida Xiaorui is held as to (i) 99.01% by Zhirui International Limited, a direct wholly owned subsidiary of the Company; and (ii) 0.99% by Sanchi International Enterprises Development Limited, a company wholly owned by Ms. Zheng Peng, an executive Director.

Deqing Kaisibo

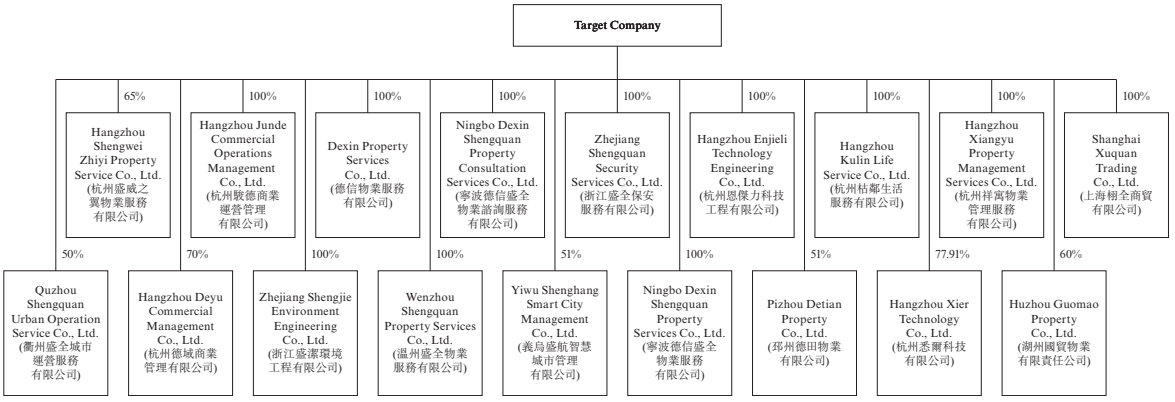
Deqing Kaisibo is a limited partnership established in the PRC, and it primarily serves as an employee shareholding platform for the Target Group. As at the Latest Practicable Date, the partnership interests of Deqing Kaisibo are held as to (i) 46.91% by Mr. Tang Junjie, an executive Director; (ii) 23.46% by Ms. Zheng Peng, an executive Director; (iii) 23.46% by Mr. Liu Yibing, the executive vice president of the Company; and (iv) 6.17% by Shengquan Labour Union, a labour union of the Target Company and is statutorily formed under the PRC laws. Mr. Liu Yibing is the sole general partner of Deqing Kaisibo. The partnership interest structure of Deqing Kaisibo as at the Latest Practicable Date differed from that as at the time of the Previous Capital Increase, primarily due to the capital subscription made in February 2026 by each of Mr. Tang Junjie, Ms. Zheng Peng and Mr. Liu Yibing (being core employees of the Target Group), which resulted in a corresponding adjustment to their respective partnership interests and the dilution of the partnership interests held by Shengquan Labour Union. Despite the said adjustment, the identities of the ultimate beneficial owners of the partnership interests of Deqing Kaisibo remain the same immediately before and after the capital subscription. As confirmed by the Directors, as at the time of the Previous Capital Increase, the Company had no intention to conduct the Capital Increase, and no side arrangement existed among the partners of Deqing Kaisibo for the aforesaid capital subscription.

Target Company

The Target Company is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, the Target Company is held as to 90.3% by Shengquan Technology, 4.8% by Zhida Xiaorui, and 4.9% by Deqing Kaisibo.

The Target Company is the principal operating subsidiary of the Group in the PRC. The Target Group is principally engaged in the provision of property management services in the PRC. As at 30 June 2025, the Target Group had a total gross floor area under management of approximately 38.3 million square metres. Apart from provision of property management services in the PRC, the Target Group also provides (i) value-added services, such as sales office management services, preliminary planning and design consultancy services, property inspection and repair services and commercial consulting services to non-property owners; and (ii) community value-added services such as smart community solutions, property sales and assistance services, community resources value-added services, clubhouse services, home decoration services and community retail and home services to property owners, residents and property developers.

Set out below is the corporate structure of the Target Group as at the Latest Practicable Date:



The table below sets out the audited consolidated financial information of the Target Group for the two financial years ended 31 December 2023 and 2024 prepared by the local auditor of the Target Group in the PRC and the unaudited consolidated financial information of the Target Group for the six months ended 30 June 2025:

	For the year ended 31 December		For the six months ended 30 June
	2023	2024	2025
	(RMB'000)	*(RMB'000)*	*(RMB'000)* (unaudited)
Revenue	955,800	933,420	450,750
Profit before tax	93,210	70,220	56,610
Profit after tax	75,110	41,530	35,200

The consolidated net asset value of the Target Group as at 31 December 2024 and 30 June 2025 (unaudited) was approximately RMB518.7 million and RMB565.9 million, respectively.

IX. IMPLICATIONS UNDER THE LISTING RULES

Since Mr. Tang Junjie and Ms. Zheng Peng, the executive Directors, hold a total of approximately 70.4% partnership interests in Deqing Kaisibo as at the Latest Practicable Date, Deqing Kaisibo is a connected person of the Company. The Capital Increase will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Upon completion of the Capital Increase, the Group's equity interest in the Target Company will be reduced to approximately 65.1%. The Capital Increase therefore constitutes deemed disposal under Rule 14.29 of the Listing Rules for the Company.

Pursuant to Rule 14.22 of the Listing Rules, the Capital Increase and the Previous Capital Increase shall be aggregated as a series of transactions. As one or more of the percentage ratios applicable to the Company in respect of the Capital Increase and the Previous Capital Increase exceed 25% but all are less than 75%, the Capital Increase will constitute (i) a major disposal for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempted connected transaction for the Company and is subject to the reporting, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, (i) Mr. Tang Junjie, an executive Director, is a limited partner of Deqing Kaisibo with partnership interest of 46.91%; and (ii) Ms. Zheng Peng, an executive Director, is a limited partner of Deqing Kaisibo with partnership interest of 23.46%. Accordingly, each of Mr. Tang Junjie and Ms. Zheng Peng is considered to have a material interest in the Capital Increase and has abstained from voting on the board resolution approving the Capital Increase. Save as disclosed, none of the other Directors has a material interest in the Capital Increase or is required to abstain from voting from the resolution of the Directors for considering and approving the same pursuant to the articles of association of the Company.

X. THE EGM

The EGM will be convened at 10/F, Dexin Group Building, No. 588, East Huanzhan Road, Shangcheng District, Hangzhou, Zhejiang, China on Wednesday, 11 March 2026 at 10:00 a.m., *inter alia*, for the Independent Shareholders to consider and, if thought fit, approve the terms of the Capital Increase Agreement and the transactions contemplated thereunder.

The notice of the EGM is set out on pages 88 to 89 of this circular. The voting in relation to the resolution proposed at the EGM will be conducted by way of poll.

As at the Latest Practicable Date, Mr. Tang Junjie, an executive Director, beneficially owns 14,265,741 Shares, representing approximately 1.55% of the total issued share capital of the Company.

Since Mr. Tang Junjie is a limited partner of Deqing Kaisibo with partnership interest of 46.91% as at the Latest Practicable Date, Mr. Tang Junjie is deemed or may be perceived to have a material interest in the Capital Increase and shall abstain from voting on the relevant resolution to be proposed at the EGM. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Capital Increase Agreement and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolution.

Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

XI. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 6 March 2026 to Wednesday, 11 March 2026, both days inclusive, during which period no transfer of Shares will be effected, in order to determine the identity of the Shareholders who are entitled to attend and vote at the EGM to be held on Wednesday, 11 March 2026. All transfers of Shares accompanied by the relevant Share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 5 March 2026.

XII. RECOMMENDATION

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders in respect of the Capital Increase. The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard. Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 27 to 28 of this circular and (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 29 to 55 of this circular in connection with the transactions contemplated under the Capital Increase Agreement, and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its advice.

The Board (including the Independent Board Committee having taken into account the recommendation of the Independent Financial Adviser) considers that although the Capital Increase Agreement was not entered into in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the Independent Board Committee) recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM in relation to the Capital Increase Agreement and the transactions contemplated thereunder.

XIII. ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board of
Dexin Services Group Limited
Hu Yiping
Chairman

DoThink® 德信服务
股份代号：2215.HK

Dexin Services Group Limited
德信服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

24 February 2026

To the Independent Shareholders

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO CAPITAL INCREASE AND DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

We refer to the circular dated 24 February 2026 issued by the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

We have been appointed as the members of the Independent Board Committee to consider and advise the Independent Shareholders regarding the terms of the Capital Increase Agreement. The Independent Financial Adviser, Somerley Capital Limited, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to (i) the letter from the Board, as set out on pages 4 to 26 of the Circular, and (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its opinion in respect of the terms of the Capital Increase Agreement as set out on pages 29 to 55 of the Circular.

After taking into consideration the advice from the Independent Financial Adviser, we consider that although the entering into of the Capital Increase Agreement was not in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM in relation to the Capital Increase.

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

Dr. Wong Wing Kuen Albert **Mr. Rui Meng** **Mr. Yang Xi**
Independent Non-executive Directors

The following is the text of the letter of advice from Somerley Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

24 February 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO CAPITAL INCREASE AND DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Capital Injection Agreement, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 24 February 2026 (the "**Circular**"), of which this letter forms a part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as defined in the Circular.

On 23 February 2026 (after trading hours), amongst others, the Target Company, Shengquan Technology, Zhida Xiaorui and Deqing Kaisibo entered into the Capital Increase Agreement, pursuant to which, Deqing Kaisibo conditionally agreed to contribute RMB96,912,442.40 to subscribe for approximately 30.0% of the equity interest of the Target Company as enlarged by the Capital Increase. Immediately after the Completion, Shengquan Technology, Zhida Xiaorui and Deqing Kaisibo will own approximately 61.8%, 3.3% and 34.9% of the equity interest of the Target Company, respectively. The Target Company will remain as a non-wholly owned subsidiary of the Company.

As at the Latest Practicable Date, Mr. Tang Junjie and Ms. Zheng Peng, the executive Directors, hold a total of approximately 70.4% partnership interests in Deqing Kaisibo as at the Latest Practicable Date, Deqing Kaisibo is a connected person of the Company. The Capital Increase will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Upon completion of the Capital Increase, the Group's equity interest in the Target Company will be reduced to approximately 65.1%. The Capital Increase therefore constitutes deemed disposal under Rule 14.29 of the Listing Rules for the Company.

Pursuant to Rule 14.22 of the Listing Rules, the Capital Increase and the Previous Capital Increase (as set out in the section headed "II. THE PREVIOUS CAPITAL INCREASE" in the Letter from the Board) shall be aggregated as a series of transactions. As one or more of the percentage ratios applicable to the Company in respect of the Capital Increase and the Previous Capital Increase exceed 25% but all are less than 75%, the Capital Increase will constitute (i) a major disposal for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules; and (ii) a non-exempted connected transaction for the Company and is subject to the reporting, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the terms of the Capital Increase Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, Mr. Tang Junjie, an executive Director, beneficially owns 14,265,741 Shares, representing approximately 1.55% of the total issued share capital of the Company. Since Mr. Tang Junjie is a limited partner of Deqing Kaisibo with partnership interest of 46.9% as at the Latest Practicable Date, Mr. Tang Junjie is deemed or may be perceived to have a material interest in the Capital Increase and shall abstain from voting on the relevant resolution to be proposed at the EGM. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Capital Increase Agreement and therefore no other Shareholder is required to abstain from voting at the EGM for the relevant resolution.

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi, has been established to consider and advise the Independent Shareholders as to whether the terms of the Capital Increase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are not associated or connected with the Company, the Target Company, Shengquan Technology, Zhida Xiaorui, Deqing Kaisibo, Mr. Tang Junjie, Ms. Zheng Peng or their respective associates, close associates or core connected persons and, accordingly, are considered eligible to give independent advice on the terms of the Capital Increase Agreement and the transactions contemplated thereunder. In the last two years, saved for our engagement as the independent financial adviser to the independent board committee and the independent shareholders as disclosed in the circular of the Company dated 23 February 2024 in relation the renewal of non-exempt continuing connected transactions

(the "**Previous Engagement**"), there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with the Previous Engagement and this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Target Company, Shengquan Technology, Zhida Xiaorui, Deqing Kaisibo, Mr. Tang Junjie, Ms. Zheng Peng or their respective core associates, close associates or core connected persons. As we were in the same role as independent financial adviser to the Company in the Previous Engagement, we are of the view that they would not affect our independence and we are considered eligible to give independent advice on the Capital Increase Agreement and the transactions contemplated thereunder, and are independent under Rule 13.84 of the Listing Rules.

In formulating our advice and recommendation, we have reviewed, among others, (i) announcement of the Company dated 23 February 2026 in relation to, among others, the Capital Increase Agreement, (ii) the annual reports of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**") and interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"), and (iii) other information contained in the Circular. In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the "**Management**") and the respective professional advisers of the Company and have assumed that they are true, accurate and complete in all material aspects and in relation to any opinions to be honestly held at the time they were made and will remain, in relation to the facts to be true, accurate and complete in all material aspects and in relation to any opinions to be honestly held, up to the date of the EGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the Capital Increase Agreement and the transactions contemplated thereunder, we have taken into consideration the following principal factors and reasons:

1. Background information of the parties involved

1.1 Information of the Group

The Company is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services in the PRC.

Set out below is the summary of the financial information of the Group for the years ended 31 December 2023 and 2024 and the six months ended 30 June 2024 and 2025 as extracted from the 2024 Annual Report and the 2025 Interim Report, which have been prepared in accordance with HKFRS Accounting Standards:

	For the six months ended 30 June		For the year ended 31 December	
	2025	**2024**	**2024**	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Revenue				
— *Property management services*	408,417	413,438	832,370	740,845
— *Value-added services to non-property owners*	13,813	19,835	38,688	106,090
— *Community value-added services*	20,762	39,955	62,365	108,645
	442,992	473,228	933,423	955,580
Gross profit	94,413	101,531	187,601	226,039
Profit for the period/year attributable to Shareholders	34,138	42,169	38,473	61,767

For the two years ended 31 December 2023 and 2024

For the years ended 31 December 2023 and 2024, the Group recorded a revenue of approximately RMB955.6 million and RMB933.4 million respectively, representing a decrease of approximately 2.3%. As disclosed in the 2024 Annual Report, the decrease in revenue was primarily attributable to the decrease in the Group's business revenue from the value-added services to non-property owners and community value-added services.

The Group's gross profit for the year ended 31 December 2023 and 2024 amounted to approximately RMB226.0 million and RMB187.6 million respectively, representing a decrease of approximately 17.0%. As disclosed in the 2024 Annual Report, the gross profit margin of the Group decreased from approximately 23.7% for 2023 to approximately 20.1% for 2024 mainly due to the decline in the domestic real estate industry environment, the average property management fee rate for property management service, geographical concentration of GFA under management and cost control ability.

The Group's profit attributable to Shareholders for the year ended 31 December 2023 and 2024 amounted to approximately RMB61.8 million and RMB38.5 million respectively, representing a decrease of approximately 37.7%. Such decrease was mainly attributable to (i) the decrease in gross profit as mentioned above; and (ii) the impairment loss on loan receivables of RMB21.4 million recorded during the year ended 31 December 2024 as the borrower has failed to perform its repayment obligations on time in accordance with the loan agreement, detail of which was disclosed in the Company's announcement dated 28 March 2025.

For the six months ended 30 June 2024 and 2025

For the six months ended 30 June 2024 and 2025, the Group recorded a revenue of approximately RMB473.2 million and RMB443.0 million respectively, representing a decrease of approximately 6.4%. Such decrease in revenue was mainly due to decrease in revenue from the Group's value-added services to non-property owners and community value added services.

The Group's gross profit for the six months ended 30 June 2024 and 2025 amounted to approximately RMB101.5 million and RMB94.4 million respectively, representing a decrease of approximately 7.0%. The gross profit margin of the Group slightly decreased from approximately 21.5% for the six months ended 30 June 2024 to approximately 21.3% for the six months ended 30 June 2025, mainly attributable to the impact of the Group's average property management fee for property management service, geographical concentration of GFA under management and cost control ability due to the decline in the domestic real estate industry environment.

The Group's profit attributable to Shareholders for the six months ended 30 June 2024 and 2025 amounted to approximately RMB42.2 million and RMB34.1 million respectively, representing a decrease of approximately 19.0%. Such decrease was mainly attributable to (i) the decrease in gross profit as mentioned above; and (ii) increase in loss on trade and other receivables by approximately RMB2.3 million, primarily due to a higher amount of impairment provision for the receivables made by the Group for prudence purposes in view of changing credit risks owing to the ongoing decline of the property industry.

Set out below is the summary of the financial position of the Group as at 31 December 2023, 2024 and 30 June 2025 as extracted from the 2024 Annual Report and the 2025 Interim Report:

	As at 30 June 2025	As at 31 December 2024	2023
	(Unaudited)	(Audited)	(Audited)
Total assets	1,388,250	1,341,107	1,424,649
Total liabilities	663,483	650,874	665,616
Net assets	724,767	690,233	759,033

As at 30 June 2025, the Group's total assets amounted to approximately RMB1,388.3 million, mainly comprised of (i) trade and other receivables and prepayments of approximately RMB916.2 million; (ii) cash and cash equivalents of approximately RMB169.6 million; and (iii) investment properties of approximately RMB135.6 million.

As at 30 June 2025, the Group's total liabilities amounted to approximately RMB663.5 million, mainly comprised of (i) trade and other payables of approximately RMB417.3 million; and (ii) contract liabilities of approximately RMB156.4 million.

As at 31 December 2023, 31 December 2024 and 30 June 2025, the Group's net assets amounted to approximately RMB759.0 million, RMB690.2 million and RMB724.8 million respectively. The decrease in net assets from approximately RMB759.0 million as at 31 December 2023 to approximately RMB690.2 million was mainly due to the decrease in trade and other receivables and prepayments as a resold of increased allowance for impairment. The increase in net assets from approximately RMB690.2 million as at 31 December 2024 to approximately RMB724.8 million as at 30 June 2025 was mainly due to the investment properties of approximately RMB135.6 million recorded as at 30 June 2025, as a result of the enforcement of the Group's rights to realise certain car parking spaces to offset part of the loan receivable during the six months ended 30 June 2025.

In our view, based on the above analysis, the Group has retained a satisfactory financial position.

1.2 Information of parties involved in the Capital Increase

Shengquan Technology

Shengquan Technology is a company established in the PRC with limited liability, and it serves as an intermediate holding company of the Group in the PRC. It is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, Shengquan Technology is wholly owned by Sheng Quan Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, which is in turn held as to (i) 99.91% by Shengping International Limited, a direct wholly owned subsidiary of the Company; and (ii) 0.09% by Chongping Hiuchi Company Limited, a company wholly owned by Mr. Tang Junjie, an executive Director.

Zhida Xiaorui

Zhida Xiaorui is a company incorporated in Hong Kong with limited liability, and is primarily engaged in investment holding. It is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, Zhida Xiaorui is held as to (i) 99.01% by Zhirui International Limited, a direct wholly owned subsidiary of the Company; and (ii) 0.99% by Sanchi International Enterprises Development Limited, a company wholly owned by Ms. Zheng Peng, an executive Director.

Deqing Kaisibo

Deqing Kaisibo is a limited partnership established in the PRC, and it primarily serves as an employee shareholding platform for the Target Group. As at the Latest Practicable Date, the partnership interests of Deqing Kaisibo are held as to (i) 46.91% by Mr. Tang Junjie, an executive Director; (ii) 23.46% by Ms. Zheng Peng, an executive Director; (iii) 23.46% by Mr. Liu Yibing, the executive vice president of the Company; and (iv) 6.17% by Shengquan Labour Union, a labour union of the Target Company and is statutorily formed under the PRC laws. Mr. Liu Yibing is the sole general partner of Deqing Kaisibo. The partnership interest structure of Deqing Kaisibo as at the Latest Practicable Date differed from that as at the time of the Previous Capital Increase, primarily due to the capital subscription made in February 2026 by each of Mr. Tang Junjie, Ms. Zheng Peng and Mr. Liu Yibing (being core employees of the Target Group), which resulted in a corresponding adjustment to their respective partnership interests and the dilution of the partnership interests held by Shengquan Labour Union. Despite the said adjustment, the identities of the ultimate beneficial owners of the partnership interests of Deqing Kaisibo remain the same immediately before and after the capital subscription.

1.3 Information of the Target Company

The Target Company is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of the Company. As at the Latest Practicable Date, the Target Company is held as to 90.3% by Shengquan Technology, 4.8% by Zhida Xiaorui, and 4.9% by Deqing Kaisibo. The Target Company is the principal operating subsidiary of the Group in the PRC. The Target Group is principally engaged in the provision of property management services in the PRC. As at 30 June 2025, the Target Group had a total gross floor area under management of approximately 38.3 million square metres. Apart from provision of property management services in the PRC, the Target Group also provides (i) value-added services, such as sales office management services, preliminary planning and design consultancy services, property inspection and repair services and commercial consulting services to non-property owners; and (ii) community value-added services such as smart community solutions, property sales and assistance services, community resources value-added services, clubhouse services, home decoration services and community retail and home services to property owners, residents and property developers. The corporate structure of the Target Group as at the Latest Practicable Date is set out in the section headed "VIII. INFORMATION OF THE PARTIES — Target Company" in the Letter from the Board.

The table below sets out the audited consolidated financial information of the Target Company for the two financial years ended 31 December 2023 and 2024 and the unaudited consolidated financial information of the Target Company for the six months ended 30 June 2025:

	For the year ended 31 December		**For the six months ended 30 June**
	2023	**2024**	**2025**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
	(audited)	(audited)	(unaudited)
Revenue	955,800	933,420	450,750
Profit before tax	93,210	70,220	56,610
Profit after tax	75,110	41,530	35,200

The consolidated net asset value of the Target Group as at 31 December 2024 and 30 June 2025 (unaudited) was approximately RMB518.7 million and RMB565.9 million, respectively.

As advised by the management of the Company, the consolidated financial information of the Target Group have been prepared in accordance with China Accounting Standards. The Target Company serves as an intermediate holding company of the Group in the PRC which all the PRC operating companies are the subsidiaries of the Target Company. As such, the financial performance of the Target Group is in line with the Group as mentioned in the section headed "1.1 Information of the Group" above.

2. Reasons for and benefits of the Capital Increase

As disclosed in the Letter from the Board in the Circular, the purpose and objective of the Capital Increase is to (i) provide an opportunity to the employees of the Target Group, who are the ultimate beneficial owners of Deqing Kaisibo, to subscribe for a stake in the Target Group; and (ii) enrich the working capital and cash flow of the Target Group, which will help consolidate the financial and cash position of the Target Group. Therefore, the Company believes that the Capital Increase and the transaction contemplated thereunder are in line with the Group's strategic development direction and will help enhance the Company's shareholder value.

Deqing Kaisibo is held as to 6.17% by Shengquan Labour Union, a labour union of the Target Company statutorily formed under the PRC laws, which represents the employees of the Target Group and safeguards employees' lawful rights and interests. The subscription of equity interests by the Shengquan Labour Union through Deqing Kaisibo is intended to benefit the employees of the Target Group. The Directors are of the view that by providing the employees of the Target Group an opportunity to subscribe for a stake in the Target Group, it will align the employees' interests with the goals of the Target Group, and thereby enhance employee retention and contribute to the long-term development of the Target Group.

The Directors have also considered the debt ratio and liquidity position of the Target Group. The Target Group's current ratio was 1.4 times and the gearing ratio (total borrowings divided by total equity) was 0.02 as at 30 June 2025. The Directors consider that although the Target Group maintained a generally healthy liquidity position and low level of gearing, it is prudent to strengthen the funding resources of the Target Group for its business development. The Capital Increase will provide additional funds to the Target Group to enhance its liquidity and financial flexibility, thereby supporting its ability to undertake necessary capital expenditures, meet working capital needs and pursue business opportunities, as detailed in the section headed "VII. INTENDED USE OF PROCEEDS" in the Letter from the Board.

In terms of the timing of the Previous Capital Increase and the Capital Increase, the Directors are of the view that the Previous Capital Increase only provided an initial working capital of a limited amount for general operations and early-stage technology deployment of the Target Group, and it is appropriate for the Target Group to seek additional funding and support from the Capital Increase to support the broader development plan of the Target Group to be implemented in the next few years as detailed in the section headed "VII. INTENDED USE OF PROCEEDS" in the Letter from the Board.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase are fair and reasonable, on normal commercial terms and in the interests of the Shareholders and the Group as a whole.

As discussed in the section headed "1.1 Information of the Group" above, while the Group's revenue decreased by approximately 2.3% and 6.4% for the year ended 31 December 2024 and for the six months ended 30 June 2025 as compared to the corresponding period in the previous year respectively, net profit of the Group recorded larger declines of approximately 37.7% and 19.0% respectively, resulting mainly from the weakened gross profit margin and increase in impairment on receivables. As disclosed in the 2025 Interim Report, for prudence purposes, the Group has increased the impairment provision for receivables in view of changing credit risks owing to the decline of the property industry. Based on the 2024 Annual Report and 2025 Interim Report, current ratios of the Group decreased gradually from approximately 2.1 times as at 31 December 2023 to approximately 2.0 times as at 31 December 2024, and further to approximately 1.9 times as at 30 June 2025. Furthermore, cash and cash equivalents of the Group continued to decreased from approximately RMB229.7 million as at 31 December 2023 to approximately RMB202.2 million as at 31 December 2024, and further to approximately RMB169.6 million as at 30 June 2025, representing decreases of approximately 12.0% and 16.1% respectively. Although the financial position and liquidity of the Group remains generally healthy, taking into account recent decline in the Group's financial strength, the Group has taken a prudent approach in strengthening its funding resources for long-term development and investments.

As set out in the section headed "VII. INTENDED USE OF PROCEEDS" in the Letter from the Board, the proceeds from the Capital Increase are expected to be utilised gradually over the coming period of around five years up to 2030, which mainly involves investments in robotics, automation, digital platforms, systems modifications and upgrades, and business expansion through acquisitions and integrations. These types of development typically require multi-year phases, including initial assessment, feasibility studies, research and designs, integrations and modification, compatibility analysis, testing and adaptation, training, etc.. The Capital Increase achieves both the objectives of (i) aligning employee interests to support retention and long-term performance; and (ii) providing immediate balance sheet strengthening and future committed funding to the Target Company without depleting the Group's cash reserves now. Given the above, the timing of the Capital Increase (including the phased payment schedule), which aligns directly with the Group's long-term development plan for technology upgrades and scale expansion, is appropriate and in the interest of the Company and Shareholders as a whole.

In the view that (i) upon Completion, despite the shareholding in the Target Company will be diluted from 95.1% to approximately 65.1%, the Target Company will remain as a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the financial statements of the Group; (ii) the proceeds from the Capital Increase will be applied as operating cash flow for the development of the Group's property management as set out in the section headed "6. Financial effects of the Capital Increase and the use of proceeds" below; and (iii) the subscription amount of the Capital Increase is fair and reasonable so far as the Independent Shareholders are concerned as discussed in the section headed "5. Assessment of the equity interest of the Target Group" below, despite that the Capital Increase is not in the ordinary and usual course of business of the Group, we concur with the Directors that the Capital Increase and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Capital Increase Agreement

Date	:	23 February 2026 (after trading hours)
Parties	:	(1) The Target Company;
		(2) Shengquan Technology;
		(3) Zhida Xiaorui; and
		(4) Deqing Kaisibo.

Under the Capital Increase, Deqing Kaisibo conditionally agreed to contribute RMB96,912,442.40 to subscribe for approximately 30.0% of the equity interest of the Target Company as enlarged by the Capital Increase. The proportionate interest to be subscribed by Deqing Kaisibo was determined after arm's length negotiation among the parties, taking into account, among other things, the Target Group's funding requirements for the development plans as set out in the section headed "VII. INTENDED USE OF

PROCEEDS" in the Letter from the Board, as well as the financial resources and funding capability of Deqing Kaisibo. The following table sets out the details of the equity interest of the Target Company before and immediately after the Completion:

	Before the Completion		**Immediately after the Completion**	
	Amount of registered capital *(RMB)*	*%*	**Amount of registered capital** *(RMB)*	*%*
Shengquan Technology	190,000,000	90.3	190,000,000	61.8
Zhida Xiaorui	10,000,000	4.8	10,000,000	3.3
Deqing Kaisibo	10,300,000	4.9	107,212,442.40	34.9
Total	210,300,000	100.0	307,212,442.40	100.0

Immediately after the Completion, Shengquan Technology, Zhida Xiaorui and Deqing Kaisibo will own approximately 61.8%, 3.3% and 34.9% of the equity interest of the Target Company, respectively. The Target Company will remain as a non-wholly owned subsidiary of the Company.

As set out in the section headed "VII. INTENDED USE OF PROCEEDS" in the Letter from the Board, most of the subscription amounts are to be utilised progressively by the end of 2028 and the end of 2030 in accordance with the long-term development strategies and plan of the Company. Given the above and that the subscription amount represents a premium of approximately 30.3% to the proportionate appraised value of Target Group, and the Target Company will remain a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the financial statements of the Group, we are of the view that the subscription amount and percentage are on normal commercial terms.

4. Basis of determination of the Amount of the Capital Increase

As disclosed in the Letter from the Board in the Circular, the total subscription amount to be paid by Deqing Kaisibo under the Capital Increase Agreement is RMB96,912,442.40, among which RMB55,114,105.99, representing 56.9% of the subscription amount, shall be paid upon the Completion and no later than 30 June 2026, while the remaining subscription amount of RMB41,798,336.41, representing 43.1% of the subscription amount, shall be paid no later than 31 December 2027.

The capital contribution schedule by Deqing Kaisibo was agreed after arm's length negotiation among the parties, taking into account, among other things, that (i) it is generally consistent with PRC market practice for shareholders to subscribe for registered capital and pay it in accordance with an agreed capital contribution schedule, rather than paying the full amount immediately, provided that such schedule is set within the statutory

timeframe. The capital contribution schedule under the Capital Increase Agreement complies with the statutory timeframe of five years set forth in the PRC Company Law; (ii) the Group has maintained a generally healthy liquidity position and low level of gearing, and the agreed capital contribution schedule ensures that the Group has sufficient funds to meet its capital expenditure needs without imposing immediate cash pressure on Deqing Kaisibo, which was taken into account because the ultimate beneficial owners of Deqing Kaisibo are employees of the Target Group and one of the objectives of the Capital Increase was to benefit the employees of the Target Group and enhance employee retention and contribute to the long-term development of the Target Group; and (iii) a phased capital contribution arrangement provides better risk management by enabling the parties to make capital injections in stages in line with business progress and funding requirements as set out in the section headed "VII. INTENDED USE OF PROCEEDS" in the Letter from the Board, rather than injecting the full amount upfront.

The Company has considered whether a phased registration of equity interests in the Target Company should be adopted to match the settlement term of the subscription amount and the Target Group's funding needs. Having taken into account the PRC company registration procedures and prevailing market practice of adopting a one-off equity registration despite a phased capital contribution schedule, the Company considers it more practical to complete the Capital Increase by way of a one-off equity registration. A phased registration would involve another round of business registration changes, which would increase administrative time and costs without providing additional commercial benefit given that the timing of cash injection is already aligned through the agreed instalment payment schedule. Furthermore, adopting a one-off equity registration arrangement is not prejudicial to the interests of the Company, as the Target Company will retain rights and remedies under the Capital Increase Agreement, the articles of association of the Target Company and applicable PRC laws, including the right to demand that Deqing Kaisibo make immediate payment of any overdue capital contribution and to pursue claims against Deqing Kaisibo for losses arising from any breach; and where Deqing Kaisibo, after being duly demanded, still fails to pay the capital contribution within a reasonable period, the Target Company may, subject to the requisite corporate approvals, remove Deqing Kaisibo's shareholder qualification in accordance with applicable PRC laws.

In view of the above, the Directors consider that the settlement term of the Capital Increase is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

We have reviewed the PRC Company Law (2023 Revision), effective on 1 July 2024, which stipulated the statutory timeframe limit of five years for capital contributions. We have also conducted a research, on best effort basis, on the website of the Stock Exchange to identify transactions announced by listed companies on the Stock Exchange (i) from 1 December 2025 and up to 22 February 2026 (being the day prior to the date of the Capital Increase Agreement), and (ii) involving capital increase in companies incorporated in the PRC. From such research, we have identified 12 transactions (the "**Recent Capital Increase Transactions**") and noted that the settlement schedule (if disclosed) of the Recent Capital Increase Transactions typically require payment of the capital increase within certain days

(from 3 days to 30 business days) upon entering into the agreement, upon completion of registration/approval, or upon the conditions precedents being fulfilled, or involve a phased payment arrangement of up to 5 years. Although a phased payment arrangement is not most common among the Recent Capital Increase Transactions, considering (i) the Recent Capital Increase Transactions may involve different industries and purposes for capital increase, in which funding needs might be immediate; (ii) one of the Recent Capital Increase Transactions adopted phased payment schedule of up to 5 years; and (iii) the capital contribution schedule under the Capital Increase Agreement complies with the statutory timeframe, we consider the settlement arrangement of the Capital Increase Agreement acceptable and not uncommon. On the other hand, as advised by the Management, each capital increase exercise would involve administrative time and costs relating to business registration. As the subscription amount and proportionate interests to be subscribed by Deqing Kaisibo was agreed after arm's length negotiation among the parties, it is more cost-efficient to complete the Capital Increase by way of a one-off equity registration.

Furthermore, as set out in section headed "6. Financial effects of the Capital Increase and the use of proceeds" below, the proceeds from the Capital Increase are intended to be utilised progressively by the end of 2030 in accordance with the development plan of the Group, the staggered payment is in line with the long- term plan and capital needs of the Group. which mainly involves investments in robotics, automation, digital platforms, systems modifications and upgrades, and business expansion through acquisitions and integrations. These types of development typically require multi-year phases, including initial assessment, feasibility studies, research and designs, integrations and modification, compatibility analysis, testing and adaptation, training, etc.. As set out in the section headed "VII. INTENDED USE OF PROCEEDS" of the Letter from the Board, approximately 56.5% of the proceeds will be utilised progressively on or before the end of 2028 and approximately 43.5% of the proceeds will be utilised progressively on or before the end of 2030, the staggered payment of 56.9% by 30 June 2026 and 43.1% by 31 December 2027 ensures timeliness of the funds in line with the long-term plan and capital needs of the Group.

Given that (i) the subscription amount represents a premium of approximately 30.3% to the proportionate appraised value of Target Group, (ii) the settlement term being in line with the development plan of the Group, (iii) the capital contribution schedule under the Capital Increase Agreement complies with the statutory timeframe set forth in the PRC Company Law; and (iv) it is not uncommon for capital increase in companies incorporated in the PRC to have phased payment arrangement based on the Recent Capital Increase Transactions, we concur with the Directors that the settlement term of the Capital Increase is on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

As set out in the Letter from the Board, the subscription amount of approximately RMB96.9 million and proportionate interest of 30.0% to be subscribed by Deqing Kaisibo was determined after arm's length negotiation among the parties, taking into account, among other things, the Target Group's funding requirements for the development plans. Given that the subscription amount provides meaningful funding, of which the implied total equity value of the Target Group is above both the fair value as appraised by the Valuer as

at the Valuation Date and the fair value as derived by our independent research as at the date of the Capital Increase Agreement as discussed in the section headed "5.3 Assessment of the valuation of the Target Group" below, while the Group will preserve control over the Target Company upon Completion with approximately 65.1% equity interests, we consider the subscription amount and the proportionate interest to be subscribed by Deqing Kaisibo was determined on normal commercial term.

The subscription amount was arrived at after arm's length negotiations among the parties with reference to, among other things:

(i) the valuation (the "**Valuation**") of the Target Group as at 30 November 2025 (the "**Valuation Date**") of RMB247,965,000 as appraised by AVISTA Valuation Advisory Limited (the "**Valuer**"), an independent valuer. For details of the Valuation, please refer to Appendix II to the Circular;

(ii) the reasons for and benefits of the Capital Increase as stated under the paragraph headed "2. Reasons for and benefits of the Capital Increase"; and

(iii) the subscription amount represents a premium of approximately 30.3% to the proportionate appraised value of Target Group. In determining the subscription amount, the parties considered that the Valuation is prepared as at the Valuation Date and is subject to the assumptions and methodologies adopted by the Valuer, and that the subscription amount was ultimately agreed having regard to, among others, (a) the Target Group's business prospects under prevailing market and industry conditions, including the expected demand for professional property management services and the anticipated expansion of the Target Group's property management business; and (b) the parties' commercial assessment of the Target Group's long-term development potential including the expected benefits from the planned initiatives as set out under the section headed "VII. INTENDED USE OF PROCEEDS" in the Letter from the Board which are intended to enhance service capability, operating efficiency and competitiveness. The parties to the Capital Increase Agreement (including Deqing Kaisibo whose ultimate beneficial owners are employees of the Target Group, and the relevant subsidiaries of the Group) are familiar with the Target Group's operations, management capability and the market and industry in which it operates, and therefore were willing to agree to the subscription amount set at a premium of the appraised value.

5. Assessment of the equity interest of the Target Group

According to the Valuation, the appraised value of the entire equity interest of the Target Group as at 30 November 2025 was RMB247,965,000.

5.1 Scope of work and qualifications of the Valuer

We have performed the work as required under Rule 13.80(2)(b) Note 1(d) of the Listing Rules in relation to the Valuer. In particular, we have reviewed the valuation report of the Target Company (the "**Valuation Report**") and relevant documents

obtained from the Valuer and interviewed the Valuer with particular attention to (i) the terms of engagement of the Valuer with the Company in relation to the valuation of Target Group; (ii) the certificates of qualifications and experience of the Valuer; and (iii) the valuation methodologies and assumptions used by the Valuer in formulating the Valuation Report.

We understand that the Valuer is certified with relevant professional qualifications required to perform the valuation of the Target Group. Mr. Vincent Pang, being the signor of the Valuation Report is a member of CFA Institute and CPA Australia, a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of Royal Institution of Chartered Surveyors (RICS) and a RICS registered valuer. He has over 20-year experience in financial valuation and business consulting in Hong Kong and China. Based on our review of the Valuer's terms of engagement with the Company in relation to the Valuation and discussion with the Valuer on the work it has performed in formulating the Valuation Report, we noted that the scope of work is appropriate for arriving at the valuation of the Target Group and we are not aware of any limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuation Report. Nothing has come to our attention that the parties to the Capital Increase had made formal or informal representation to the Valuer that contravenes with our understanding of the information, to a material extent, as set out in the Circular. The Valuer has confirmed that it is an independent third party to the parties of the Capital Increase and their respective core connected persons.

In light of the above, we are not aware of any matters that would cause us to question the Valuer's competence and independence, and we consider that the Valuer has sufficient expertise to perform the valuation of the Target Group.

5.2 Valuation methodology and assumptions

We have reviewed the Valuation Report and discussed with the Valuer methodologies of, and bases and assumptions adopted for the valuations, and adjustments made to arrive at the Valuation Report. As advised by the Valuer, in arriving at the assessed value, the Valuer has considered three accepted approaches, namely, income approach, cost approach and market approach:

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

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

Market approach: provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

In the valuation of the fair value of the equity value of the Target Group, the cost approach is not appropriate in current appraisal as it assumed the assets and liabilities of the Target Group are separable and can be sold separately. This methodology is more appropriate for the industries that its assets are highly liquid, like property development and financial institution. The income approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projections of the Target Group, and the assumptions might not be able to reflect the uncertainties in the future performance of the Target Group. Given that improper assumptions will impose significant impact on the fair value, income approach is not adopted in this valuation. The valuation arrived from the market approach would more likely reflect the market expectations over the corresponding industry and there are sufficient public companies in a similar nature and business to that of the Target Group, and therefore, the market approach is considered to be suitable.

The market approach generally involves two valuation methods, namely (i) the comparable companies method, which involve the use of the valuation multiples applicable to the subject companies, and (ii) the comparable transactions method, which involves the direct comparison of other transactions that may be considered similar to the subject transaction. The comparison transactions method is considered not appropriate due to the lack of sufficient public information on recent comparable transactions in the market. In particular, given (i) there are no sufficient number of precisely comparable transactions that are recently conducted with detailed information publicly available; and (ii) the sufficient number of comparable companies identified as discussed below, which reflects the prevailing market valuation of the peer companies, we concur with the Valuer that the adoption of comparable companies method is appropriate.

Comparable companies method is therefore selected as the primary method for the valuation of the fair value of the equity value of the Target Group. The Valuer considered the enterprise value-to-earnings before interests, taxes, depreciation and amortization ("**EV/EBITDA**") ratio to be most appropriate indicator of the fair values of the comparable companies, as the multiple eliminates the difference in capital structure, taxation and depreciation methods. We have reviewed the financial information of the Target Group, and considering that (i) the Target Group is principally engaged in property management, which is not asset heavy and relies heavily on human capital, operational expertise, and contractual and business relationships, whereas the price-to-book ("**P/B**") ratio does not account for intangible assets in appraising a business; (ii) the Target Group has recognized profits in the latest financial year, whereas the price-to-sales ("**P/S**") ratio and enterprise value-to-sales ("**EV/S**") ratio do not consider the profitability and operational efficiency of the Target Group in determining its value; and (iii) the price-to-earnings ("**P/E**") ratio does not capture differences in financial leverage and

associated risk features, we concur with the Valuer that the EV/EBITDA multiple is the most appropriate for valuing the Target Group compared to other valuation multiples, as it effectively values intangible assets by focusing on the cash-generating capacity of the enterprise, addresses the profitability and eliminates the effects of differences in capital structure, taxation, depreciation and amortisation.

As set out in the Valuation Report, certain key assumptions were adopted in the Valuation, including but not limited to:

(i) there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Group;

(ii) there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, the Valuer assumes no responsibility for changes in market conditions after the Valuation Date; and

(iii) the Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations and will continue to operate as a going concern and have sufficient liquidity and capability.

We have reviewed the Valuation Report and discussed with the Valuer in respect of the key assumptions adopted for performing the valuation of the Target Group. We noted that the above assumptions create a controlled and constant context for the Valuation and understand from the Valuer that the assumptions are commonly adopted in other valuations of similar assets and there is no unusual assumption which has been adopted during the valuation. We have reviewed the relevant provisions of the International Valuation Standards published by the International Valuation Standards Council and noted that, among others, assumed facts that differ from those existing at the valuation date are referred to as special assumptions. As the assumptions adopted by the Valuer as set out above are consistent with the circumstances existing at the valuation date, we consider that the assumptions adopted in the Valuation Report are general in nature and we are not aware of any material facts which lead us to doubt the reasonableness of the assumptions adopted by the Valuer.

5.3 Assessment of the valuation of the Target Group

As set out in the Valuation Report, the Valuer has adopted the following selection criteria to identify the comparable companies that are comparable to the Target Group (the "**Comparable Companies**"):

(i) The primary industry of the companies is being in industry of Real Estate Operating Companies, under Global Industry Classification Standard, as extracted from S&P Capital IQ;

(ii) Over 90% of the revenue are derived in the provision of property management services;

(iii) Over 90% of the revenue are generated is in the PRC;

(iv) The companies are listed in all major exchange markets in Hong Kong and the PRC, including the Stock Exchange, the Shanghai Stock Exchange and Shenzhen Stock Exchange; and

(v) The financial information of the companies is available to the public.

As discussed with the Valuer, given the sufficient number of companies in the market, the Valuer has further refined the selection criteria of Comparable Companies to enhance comparability with the Target Group's business. Specifically, the Comparable Companies had to also fulfilled that (i) the revenue contribution from segments unrelated to property management services is less than 10%; and (ii) the majority (over 50%) of the contribution to property management revenue derives from independent third parties. Accordingly, the Valuer has identified an exhaustive list of ten Comparable Companies. As advised by the Management, (i) the Target Group is principally operating in the PRC, (ii) around 90% of the Target Group's revenue for the year ended 31 December 2024 was attributable to property management services; and (iii) the income from the provision of services to related parties accounted for less than 50% of the total revenue of the Target Group for the year ended 31 December 2024. Based on the information publicly available, we noted that the market capitalisation, operation scale and business focus of the Comparable Companies may vary and might not be precisely the same as that of the Target Company. However, taking into account (i) the Comparable Companies and the Target Company are principally engaged in the same sector and same location; and (ii) the sufficient number of companies identified, we are of the view that the above selection criteria adopted by the Valuer, which facilitate the identification of comparable companies that operate in same sector and location, with the majority of their revenue derived from such businesses, excluding those heavily relied on related parties, is fair and reasonable. The list provides a meaningful reference as regards to the general market valuation for listed property management companies.

Based on the same criteria as set out above, we have, conducted independent research and identified ten comparable companies which are identical to those identified by the Valuer. We consider that no other suitable comparable company is omitted as our independent research results are identical to those identified by the Valuer. Based on our independent research on the Comparable Companies, we are of the view that all of the Comparable Companies fit the selection criteria and are fair and representative. As such, we are of the view that the list of the Comparable Companies analysed by the Valuer for the purpose of determining the valuation of the Target Group are representative and exhaustive. The following table sets out the details of the Comparable Companies and their EV/EBITDA as extracted from the Valuation Report:

Stock code	**Company**	**LTM EV/ EBITDA multiple[1]**
3662.HK	Starjoy Wellness and Travel Company Limited ("**Starjoy**")	N/A[2]
3319.HK	A-Living Smart City Services Co., Ltd. ("**A-Living**")	N/A[3]
9983.HK	Central China New Life Limited	1.0x
2215.HK	The Company	N/A[2]
6093.HK	Hevol Services Group Co. Limited	2.6x
606.HK	SCE Intelligent Commercial Management Holdings Limited ("**SCE**")	N/A[2]
6989.HK	Excellence Commercial Property & Facilities Management Group Limited	0.3x
2869.HK	Greentown Service Group Co. Ltd.	5.1x
3913.HK	KWG Living Group Holdings Limited ("**KWG**")	N/A[3]
603506.SH	Nacity Property Service Group Co., Ltd.	9.7x
	Minimum	***0.3x***
	Maximum	***9.7x***
	Median	***2.6x***
	Average	***3.7x***

Notes:

1. Data provided by S&P Capital IQ. The enterprise values of the comparable companies are computed based on the market capitalization of the companies as of 30 November 2025 and the latest financial data of the comparable companies available as of the Valuation Date.

2. Given the enterprise value of Starjoy, the Company and SCE are negative value as of the Valuation Date. Thus, no meaningful market multiple can be derived in the Valuation.

3. Given the LTM EBITDA of A-Living and KWG are negative value as of the Valuation Date. Thus, no meaningful market multiple can be derived in the Valuation.

As shown in the table above, the EV/EBITDA ratios of the Comparable Companies ranges from approximately 0.3 times to 9.7 times with an average of approximately 3.7 times and a median of approximately 2.6 times. As advised by the Valuer, median and average share the same role in understanding the central tendency of a sets of numbers. Given the LTM EV/EBITDA multiple of the comparable companies are relatively scattered (i.e. 0.3 times to 9.7 times), average is considered to be inappropriate as the result would be biased. Meanwhile, excluding any lower or higher values would reduce the objectivity in this analysis. Therefore, median, which would not be affected by extreme values, is regarded a better mid-point measure for skewed number distributed and mitigate the impact of extreme values. Hence, median is adopted to derive the result, which the Valuer consider to be a more reasonable approach to prevent the outliers from distorting the result.

The Valuer has multiplied the median of the EV/EBITDA multiples of 2.6 derived from the list of Comparable Companies with the LTM EBITDA of the Target Group of approximately RMB96,830,000 to arrive at the enterprise value of the Target Group. We have reviewed the underlying calculation of the Valuer in determining the appraised value of the Target Group and noted that the LTM EBITDA of the Target Group was derived based on the management accounts and financial statements for the 11-month period ended 30 November 2025 and year-ended 2024. The following sets forth the calculation and formular used by the Valuer in arriving the enterprise value, equity value and appraised value of the Target Company.

	Approximate RMB'000
Trailing twelve months EBITDA of the Target Company ended 30 November 2025	96,830
Times: Median EV/EBITDA of the Comparable Companies	2.6 times
Enterprise value of the Target Company	**254,182***
Less: Debt of the Target Company as at 30 November 2025	(7,600)
Less: Minority Interest of the Target Company as at 30 November 2025	(16,364)
Add: Cash and cash equivalents of the Target Company as at 30 November 2025	81,295
Equity Value of the Target Company	**311,513**
Less: DLOM times Equity Value of the Target Company	(63,549)
Appraised value of the Target Company as at the Valuation Date	**247,965**

* *Subject to rounding difference*

Enterprise value is the measure of the total value of an entity including all ownership interests of both debt and equity owners, while equity value is the total value of the entity attributable to equity owners, which is often referred to as the market value of equity or market capitalisation. The universal and commonly adopted formula in arriving such value is as follow:

Equity Value = Enterprise Value — Net Debt *(being debt — cash and cash equivalents)* — Preferred Stock — Non-controlling Interest

As the Target Company has no preferred stock as at the Valuation Date, the calculation of the Valuer as set out above in deriving the equity value is in line with commonly adopted formula and general market practice and is arithmetically accurate.

As advised by the Valuer, DLOM is commonly considered in the valuations of privately held companies as they are not readily marketable and would face more difficulty in converting their shares into cash as compared with publicly held companies. As set out in the Valuation Report, the Valuer applied the DLOM of 20.4% based on the 2024 edition of the Stout Restricted Stock Study Companion Guide issued by Stout Risius Ross, LLC., a reputable research company offering a broad range of financial advisory services to private and public companies.

We have reviewed "Control Premium & Discount for Lack of Marketability Study (Issue 4 — November 2025)" issued by Moore Hong Kong (a member firm of Moore Global Network Limited which is a global accounting and consulting network) which has summarised the DLOMs adopted and disclosed in the circulars issued by Hong Kong listed Companies in the past twelve months and noted that those DLOMs adopted ranged from 15.6% to 28.7% with an average of 20.8% and a median of 20.4%. Given the DLOM of 20.4% used by the Valuer is the same to the median and close to the average of the DLOMs adopted by other Hong Kong listed companies in the past twelve months, we consider the DLOM adopted by the Valuer to be fair and reasonable.

Based on our review of the Valuation Report and discussion with the Valuer regarding, among others, the reasons and appropriateness of adopting the market approach for the valuation of the Target Group, the basis, assumptions and methodology adopted in the Valuation Report, and the valuation work and adjustments performed by the Valuer, nothing has come to our attention that causes us to doubt the fairness and reasonableness of the preparation of the Valuation Report.

To provide an overview of the latest market valuation of the Comparable Companies, we have conducted research on Bloomberg and the website of the Stock Exchange and noted that the EV/EBIDTA ratios of the Comparable Companies as at the date of the Capital Increase Agreement ranged from 0.3 times to 9.5 times with an average and median of approximately 3.8 times and 3.1 times respectively. By reperforming the valuation using the median EV/EBITDA ratio from our research, we have derived a fair value of the Target Group of approximately RMB284.6 million. As such, the implied total equity value of the Target Group of approximately RMB323.0 million (derived from the subscription amount of RMB96,912,442.40 for 30.0% equity interests of the Target Group) is above both the fair value as appraised by the Valuer as at the Valuation Date and the fair value as derived by our independent research as at the date of the Capital Increase Agreement.

In view of (i) the methodology, bases, assumptions, parameters and computation adopted by the Valuer in determining the valuation of the Target Group are appropriate; (ii) the subscription amount under the Capital Increase Agreement represents a premium of approximately 30.3% to the respective appraised value of the Target Group as at the Valuation Date, which was fairly and reasonably determined by the Valuer; and (iii) the reasons for and benefits of the Capital Increase as discussed in the section headed "2. Reasons for and benefits of the Capital Increase" above, we consider the subscription amount of the Capital Increase to be fair and reasonable so far as the Independent Shareholders are concerned.

6. Financial effects of the Capital Increase and the use of proceeds

As disclosed in the Letter from the Board in the Circular, after the Completion, the total equity holding in the Target Company held by Shengquan Technology and Zhida Xiaorui will be diluted from 95.1% to approximately 65.1%. The Target Company will remain a non-wholly owned subsidiary of the Company and its financial results will continue to be consolidated with the financial statements of the Group.

According to the applicable Hong Kong Financial Reporting Standards, the transaction is considered to be an equity transaction and it is expected that no gain or loss will be recognised in profit or loss arising from the Capital Increase, and there will be no remeasurement or derecognition of the assets and liabilities of the Target Group in the consolidated financial statements of the Group as a result of the Capital Increase. In any event, the actual amounts of the relevant adjustments within consolidated equity to be recorded by the Group are to be determined as at completion and subject to audit. Based on a preliminary assessment, it is estimated that the Group will record net proceeds on the Capital Increase of approximately RMB96.2 million, which is equal to RMB96.9 million (being the capital contribution under the Capital Increase Agreement) less RMB0.69 million (being the legal and other professional fees of HK$0.77 million in relation to the Capital Increase).

The Company intends to apply the net proceeds from the Capital Increase as operating cash flow for the development of the Target Group's property management business. Subject to the Target Group's business needs, prevailing market and operating conditions from time to time, the net proceeds are intended to be applied as follows:

(i) approximately RMB28.9 million, representing 30% of the net proceeds, will be applied for the development of smart security and safety management upgrades, including the adoption of security patrol robots with 24-hour autonomous patrol capabilities and functions such as facial and licence plate recognition, detection of objects thrown from height, perimeter intrusion, crowd gathering and occupation of fire access routes, and the integration of such solutions with the Internet of Things (IoT) platform and the Target Group's property management system to enhance security response and on-site management efficiency across residential communities, industrial parks, commercial complexes and data centre perimeters. Such upgrades will be implemented in a prudent and phased manner, starting with the assessment of operational needs and selection of appropriate projects for trial deployment, followed by refinement of workflows and system integration based on trial results before broader roll-out. Deployment prerequisites such as patrol robots' route planning, connectivity and charging arrangements will be taken into account. It is expected that RMB16.3 million will be utilised progressively on or before the end of 2028, and the remaining RMB12.5 million will be utilised progressively thereafter and in any event on or before the end of 2030;

(ii) approximately RMB24.0 million, representing 25% of the net proceeds, will be applied for market footprint optimisation and business scale expansion, including increased market investment in core city clusters (such as the Yangtze River Delta and the Pearl River Delta) to enhance project sourcing and acquisition capabilities, the rollout of standardised management systems and digital platforms and service quality enhancement for newly acquired projects to improve renewal rates and profitability, the strengthening of teams for market development, business negotiation, project due diligence and post-investment management, and potential equity cooperation, project mergers and acquisitions and/or business integration with regional property management companies, urban service operators and related industry chain participants to acquire scale, talent and resources and strengthen regional penetration. Such market optimisation and scale expansion will be implemented in phases, and key cities will be selected for trial deployment before wider roll-out. It is expected that RMB13.6 million will be utilised progressively on or before the end of 2028, and the remaining RMB10.4 million will be utilised progressively thereafter and in any event on or before the end of 2030;

(iii) approximately RMB19.3 million, representing 20% of the net proceeds, will be applied for upgrading of facility operations through predictive maintenance and intelligent energy management, including the adoption of facility inspection robots for equipment condition monitoring (such as meter readings, temperature and abnormal noise detection) and inspection for issues including pipeline leakage, for use in equipment rooms, power distribution rooms, pump rooms and underground pipeline scenarios. This will be implemented on a phased basis, prioritising sites and equipment types where inspection is relatively frequent and operational risks are relatively more significant, and intends to progressively enhance closed-loop handling by linking inspection results with work order dispatch and rectification follow-up through its system. Trial deployment and iterative optimisation will be conducted prior to wider roll-out, with a view to improving operational stability and cost-effectiveness. It is expected that RMB10.9 million will be utilised progressively on or before the end of 2028, and the remaining RMB8.4 million will be utilised progressively thereafter and in any event on or before the end of 2030;

(iv) approximately RMB14.4 million, representing 15% of the net proceeds, will be applied for enhancement of cleaning and hygiene services, including the adoption of cleaning and disinfection robots for automated sweeping, floor scrubbing/washing, vacuuming, waste collection and removal, and UV and/or spray disinfection, and the use of data (including footfall data) to optimise cleaning frequency and route planning in areas such as corridors, lobbies, car parks and public restrooms. Deployment in scenarios with relatively standardisable workflows and higher labour intensity will be prioritised, and the Target Group will progressively optimise route planning and cleaning frequency by reference to operational data (including,where available, footfall and task completion data). The Company also intends to establish contingency arrangements and operating procedures (including for equipment downtime and exception handling) to support service continuity. It is expected that RMB8.2 million will be utilised progressively on or before the end of 2028, and the remaining RMB6.3 million will be utilised thereafter and in any event on or before the end of 2030; and

(v) approximately RMB9.6 million, representing 10% of the net proceeds, will be applied for service capability enhancement and customer experience improvement, including the adoption of delivery and service robots for point-to-point delivery of parcels, takeaway and documents, integration with access control systems, and provision of visitor wayfinding, information broadcasting and guided services, for use in scenarios such as intra-building "last 100 metres" delivery, hotel room services and visitor reception/guidance. Such projects and scenarios will be selected for trial deployment, taking into account workflow clarify and integration feasibility (including access control systems and, where applicable, lift control arrangements), and to refine customer-facing processes and exception handling procedures based on trial results prior to broader roll-out. It is expected that RMB5.4 million will be utilised progressively on or before the end of 2028, and the remaining RMB4.2 million will be utilised progressively thereafter and in any event on or before the end of 2030.

The Company intends to utilise the net proceeds from the Capital Increase progressively from 2026 onwards in accordance with the Target Group's implementation schedule as set out above. The Target Group's development plan comprises multiple initiatives to be implemented across 2026–2030 (with different initiatives requiring different lead times for evaluation, procurement, deployment, integration and scaling). The dates stated above represent the expected latest time by which the respective portions of proceeds will be substantially utilised, rather than that the funding needs will only arise in or after the specified dates. The Company considers that the Capital Increase would provide the Target Group with a funding buffer to execute the initiatives set out above in a timely manner as business opportunities arise.

The Company has formulated a phased implementation plan for the progressive adoption of the above deployment in property management scenarios, guided by the principles of strategic direction, demand-driven deployment, pilot-first implementation, iterative optimisation and industry collaboration, and focuses on practical, efficient, controllable and replicable applications. The implementation is expected to be carried out in four stages, comprising (i) a preparation and pilot planning phase (by around June 2026) involving scenario research, needs identification, solution selection and the establishment of basic supporting arrangements, (ii) a pilot deployment phase (by around the end of 2026) to validate feasibility through human-machine collaboration and data-driven optimisation, (iii) a scaling-up phase (from 2026 onwards to 2028) to replicate proven models across a broader portfolio and establish standardised operation and maintenance capabilities and application standards, and (iv) a longer-term industry chain deepening phase (from around 2028 onwards), subject to market opportunities and strategic assessment, to explore deeper collaboration and/or integration with robotics manufacturers and related partners.

The Company also intends to put in place internal coordination and oversight arrangements for implementation (including vendor management, training and maintenance planning) and will monitor performance with reference to factors such as service quality, operational stability and cost efficiency. The Company will review the Target Group's business needs and implementation progress from time to time. In assessing the feasibility of the initiatives contemplated under this section, the Company has considered, among other things, the evolving policy environment, technology maturity, operational readiness and potential economic benefits, and will continue to evaluate relevant factors (including stakeholder acceptance) during trial and roll-out.

The Company believes that the net proceeds from the Capital Increase of RMB96.2 million are sufficient for the uses set forth above and no further financing is required to implement the aforementioned development plans. To the extent that the net proceeds are not sufficient for funding the uses set forth above, the Company will fund the balance through a variety of means including cash generated from its operations and bank financing.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that although the entering into of the Capital Increase Agreement was not in the ordinary and usual course of business of the Group, the terms of the Capital Increase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM to approve the Capital Increase.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 20 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 were set out in the relevant annual reports and interim report of the Company posted on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.dexinfuwu.com). Please also see below quick links to the relevant interim report and annual report:

- Annual report of the Company for the year ended 31 December 2023 (pages 99 to 179) (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042904693.pdf)

- Annual report of the Company for the year ended 31 December 2024 (pages 101 to 175) (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042300619.pdf)

- Interim report of the Company for the six months ended 30 June 2025 (pages 37 to 56) (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0917/2025091700334.pdf)

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 December 2025, being the most recent practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following liabilities:

	RMB'000
Secured and guaranteed:	
Bank borrowings *(note i)*	10,000
Unsecured and unguaranteed:	
Lease liabilities	743
	10,743

Note:

i. The bank borrowings are secured by corporate guarantee provided by the related party.

As at 31 December 2025, the Group did not have any contingent liabilities.

Save as aforesaid, and apart from intra-group liabilities, at the close of business on 31 December 2025, the Group had no other outstanding mortgages, charges, debentures, term loans, or other loan capital or bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, debt securities, guarantees or other contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, taking into account the effects of the deemed disposal arising from the Capital Increase, the internal financial resources and credit facilities available to the Group, the Group will have sufficient working capital for its present requirements for a period of at least 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

For the year ended 31 December 2024, the Group's revenue amounted to RMB933.4 million, and the net profit amounted to RMB37.7 million, representing a decrease of 2.3% and 39.7% respectively as compared to the year ended 31 December 2023. For the six months ended 30 June 2025, the Group's revenue amounted to RMB443.0 million, and the net profit amounted to RMB34.6 million, representing a decrease of 6.4% and 18.6% respectively as compared to the six months ended 30 June 2024.

In 2025, the property industry accelerated into a new phase of "quality and efficiency restructuring" amid the dual dynamics of policy adjustment and the market, with cooling in industry mergers and acquisitions and the emergence of project exits and a wave of residential fee reductions, while topics such as menu-based services and tiered pricing have attracted intense discussion and the industry's value framework is being redefined. In view of the highly competitive industry, the Group will stay focused on its strategies and continue to build its core capabilities with confidence. The Group will take practical steps to improve service quality, refine its products, and pursue cost reduction and efficiency improvements in a prudent and reasonable way. The Group will also remain responsive to changes in the market and customer needs. In particular, as AI technology develops quickly, service scenarios may change and create new needs and new products. The Group will monitor these developments and look for opportunities to support growth.

The Group will further transform into a property + lifestyle service model in accordance with the relevant policies supporting the upgrading and expansion of service consumption and the development of community-based living services. Such policies include, among others, the Opinions of the State Council on Promoting High-quality Development of Service Consumption (《國務院關於促進服務消費高質量發展的意見》), which encourages the development of "residential services consumption" and supports the "property services + living services" model, the Opinions of the Ministry of Housing and Urban-Rural Development and other departments on Promoting Property Service Enterprises to Accelerate the Development of Online and Offline Living Services (《住房和城鄉建設部等部門關於推動物業服務企業加快發展線上線下生活服務的意見》), which encourages property service enterprises to develop smart property management platforms and integrate online and offline community living services, and the Notice on Stepping Up Efforts to Expand Coverage and Upgrade the Development of Urban 15-minute Convenience Living Circles (《關於加力推動城市一刻鐘便民生活圈建設擴圍升級的通知》) as announced by relevant PRC authorities in 2025, which aims to enhance community-level service availability and consumption scenarios.

In the strategic vision of being a future urban lifestyle service provider, the Group will greatly improve its endogenous power of property services, continue to innovate and expand its industry boundaries, actively cultivate core business growth points, and focus on building the Group into a future urban lifestyle service provider with high quality development, steady and sustainable growth. For example, the Group entered into an equity transfer agreement for the acquisition of Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司), a company principally engaged in hotel operations and management and provision of food and beverage catering services, details of which are set out in the Company's announcements dated 31 July 2025 and 10 October 2025. It is expected that upon completion of the acquisition, the Group's business will cover hotel management which will enable the Group to seize the opportunities to be brought by the industry revival when the tourism industry rebounds, further enhance its core competitiveness and brand recognition, promote the continuous improvement of the scale of profitability, and achieve business diversification. The Group will continue to strive for the medium and long-term goal of becoming one of the leading property services management providers in China.

The following is the text of the valuation report prepared for the purpose of inclusion in this circular by AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation of the entire equity interest of the Target Group as at 30 November 2025.

AVISTA Valuation Advisory
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The Board of Directors 24 February 2026
Dexin Services Group Limited
40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East, Wan Chai, Hong Kong
Dear Sirs/Madams,

Re: Valuation Services in relation to the 100% Equity Value of Dexin Shengquan Property Services Co., Ltd.

In accordance with your instructions, as confirmed in our engagement agreement dated 4 January 2026, AVISTA Valuation Advisory Limited ("**AVISTA**" or "**we**") has performed valuation for Dexin Services Group Limited (the "**Company**", "**Dexin Services**" or "**you**") in connection with the fair value of the 100% equity value of Dexin Shengquan Property Services Co., Ltd. (together with its subsidiaries as the "**Target**") as of 30 November 2025 (the "**Valuation Date**"). We understand that the subsidiary of the Company entered into an agreement in relation to the capital increase of the Target (the "**Proposed Transaction**").

It is our understanding that this appraisal is strictly addressed to the directors of the Company (the "**Directors**") and used for the Proposed Transaction solely for your internal reference purpose. This report (the "**Report**") does not constitute an opinion on the commercial merits of specific buying and selling transaction. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realisation and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis and assumptions and explains the analysis methodology adopted in this appraisal process to calculate the value.

BASIS OF ANALYSIS

We have appraised the fair value of the 100% equity value of the Target.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Our valuation is prepared in compliance with the requirements of International Valuation Standards published by The International Valuation Standards Council. This standard contains guideline on the basis and valuation approaches used in business valuation.

COMPANY AND TRANSACTION BACKGROUND

Dexin Services is a property management service provider in the PRC that is based in Hangzhou and listed in Hong Kong Stock Exchange in 2021 (SEHK: 2215). It provides a wide range of property management services to property developers, owners and residents, including security services, cleaning service, gardening services and common area facility repair and maintenance services for both residential and non-residential properties. It also engaged in other value-added services such as sales office management services, property inspection and repair services and clubhouse services.

The Target is an indirect non-wholly owned subsidiary of the Company. It principally engaged in the provision of property management services for both residential and non-residential properties in the PRC.

We understand that the Company's equity interest in the Target will reduce to approximately 65.1% after the capital increase as previously defined as the Potential Transaction.

The Proposed Transaction constitutes a disclosable and connected transaction for the Company and is, therefore, subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 and Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

As such, the Company engaged us as an independent valuer to assess the fair value of the 100% equity interest of the Target as of the Valuation Date.

SCOPE OF WORK

In conducting this valuation exercise, we have

- Co-ordinated with the Company's representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Target, including financial statements made available to us;

- Discussed with the Company to understand the history, business model, operations, business development plan, etc. of the Target for valuation purpose;
- Carried out research in the sectors concerned and collected relevant market data from reliable sources for analysis;
- Studied the information of the Target made available to us and considered the bases and assumptions of our conclusion of value;
- Selected an appropriate valuation method to analyze the market data and derived the estimated fair value of the equity value of the Target; and
- Compiled this Report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records and documents in arriving at our opinion of value and had no reason to doubt the truth and accuracy of the information provided to us by the Company, the Target and their authorized representatives.

ECONOMIC OVERVIEW

Overview of the PRC's Economy

In 2025Q3, the PRC's economy registered a 4.8% year-over-year ("**y-o-y**") increase in Gross Domestic Product ("**GDP**"), slowed down from Q2's 5.2% growth but still in line with analysts' forecasts. This performance brought GDP growth for the first three quarters of the year to 5.2%, as reported by the National Bureau of Statistics ("**NBS**"). Domestic consumption remained an important anchor, with total retail sales of consumer goods expanding by 4.5% in the first three quarters. However, sales growth moderated at the quarter's end, with September retail sales registered a 3.0% growth.

Industrial production and external trade continue providing significant support to the economy. Industrial output grew by 6.2% y-o-y in the first three quarters, ending steady with a 6.5% rise in September. A notable growth driver was the equipment manufacturing and high-tech manufacturing sector, whose value-added output surged by 9.7% and 9.6% in the first three quarters respectively, signaling the acceleration of industrial transformation and upgrading. On the external front, resilient export performance also played a key role. The total value of exports rising by 7.1% y-o-y, which contributed to a 4.0% increase in total foreign trade value.

Despite resilient headline growth, investment indicators revealed a persistent weaknesses, especially within the real estate sector. Overall fixed-asset investment declined by 0.5% in the first three quarters, falling short of expectations of maintaining a gain. The core issue remains the real estate market, where investment shrank by 13.9% y-o-y in the first three quarters, deepening from the earlier contraction in the year. The

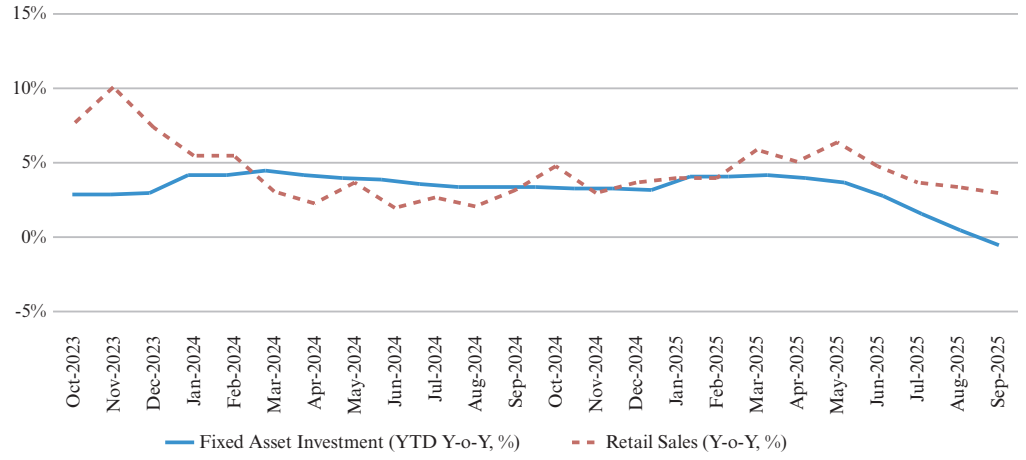
significant downturn was further evidenced by a 5.5% reduction in the floor space of newly-built commercial buildings sold and a 7.9% drop in total sales, emphasizing the property sector as the main hindrance to the PRC's economic momentum.

According to the NBS, the consumer price index ("**CPI**") declined by 0.3% y-o-y in September 2025, highlighted by the fall in food prices by 4.4% y-o-y due to sharply dropped prices in fresh vegetables, pork, eggs, and fresh fruits. Meanwhile, the decline in producer price index ("**PPI**") narrowed to 2.3% y-o-y amid weakness in mining and quarrying, raw materials, and processing industry.

Monetary policy continued to be accommodative during the quarter. Offered by the People's Bank of China (the "**PBoC**"), the 7-days reverse repurchase agreement ("**REPO**") remained at an interest rate of 1.4% as of 2025Q3. To sustain medium-to-long term liquidity, the PBoC also injected RMB600 billion into the market through medium-term lending facilities ("**MLF**") in September 2025. Additionally, broad money supply ("**M2**") reached RMB335 trillion, marking an 8.4% year-on-year increase. These measures have ensured sufficient liquidity in the banking system while reducing financing costs.

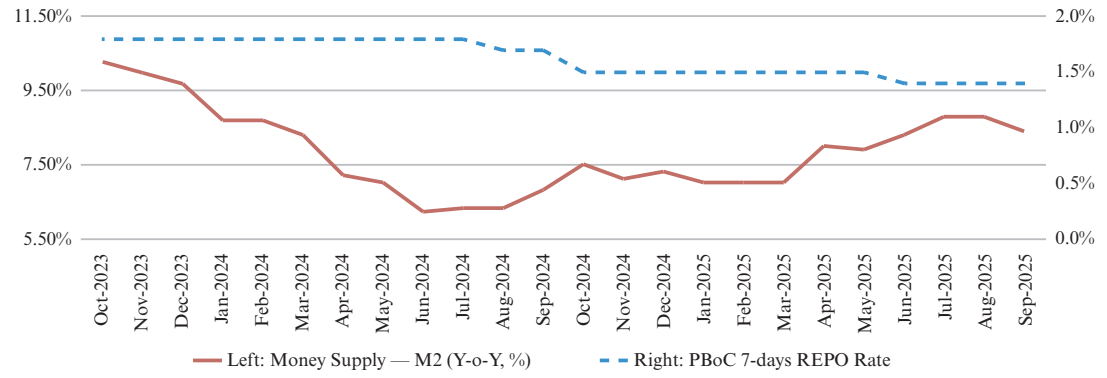
Looking ahead, stimulated domestic demand is expected to help address the ongoing challenges in the real estate sector and drive broader economic expansion. Moreover, forthcoming policies targeting boosting investment and spending are anticipated to enhance economic stability. According to the International Monetary Fund ("**IMF**"), China's GDP per capita is projected to rise from USD13,314 in 2024 to USD18,617 by 2030, reflecting a compound annual growth rate ("**CAGR**") of 5.7%.

Y-o-Y Growth in YTD Fixed Asset Investment and Monthly Retail Sales



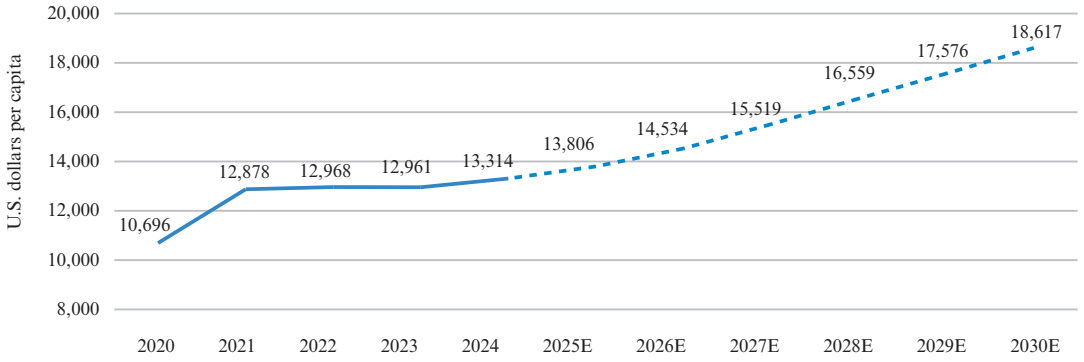
Source: NBS

Y-o-Y Growth in M2 and 1-Year MLF Interest Rate in China



Source: NBS, the PBoC

GDP per capita of the PRC



Source: IMF

INDUSTRY OVERVIEW

Overview of the PRC's Property Management Industry

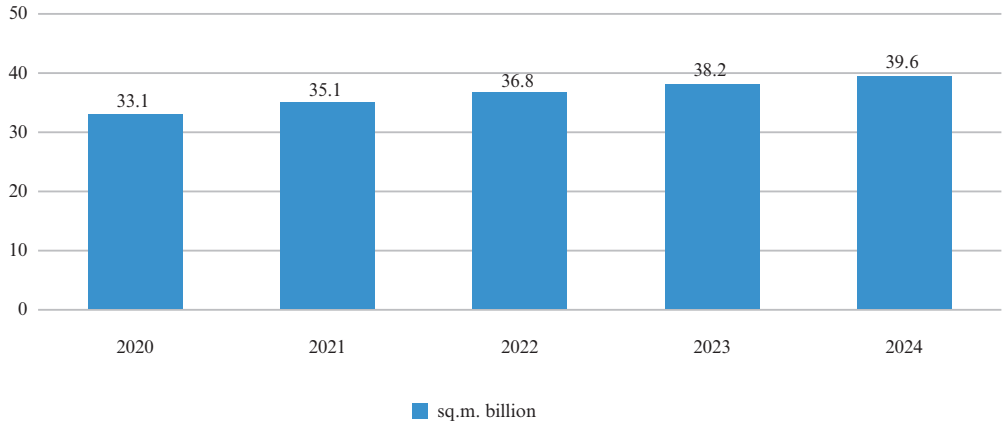
The property management industry serves as a downstream sector of the real estate market, with its growth in market size primarily driven by the number of newly constructed and existing properties. Consequently, the development of the real estate sector in the PRC has led to the continuous expansion of the market size of the industry in recent periods. According to the China Property Management Institute, the total gross floor area ("**GFA**") under management reached approximately 39.6 billion square meters ("**sq.m.**") in 2024, representing a CAGR of 4.6% between 2020 and 2024.

However, according to statistics from the NBS, the annual floor area under construction in the PRC declined from 9.8 billion sq.m. in 2021 to 6.6 billion sq.m. as of November 2025; meanwhile, the 395 million sq.m. of floor space completed from January to November 2025 represents an 18.0% year-over-year contraction, signalling a deceleration in the growth of the overall sector, which resulted in a drop in the performance from non-owner value-added services in the property management industry. Meanwhile, market

leaders in the industry continuously extended its dominant positions in the market, where the average GFA under management reached 525.4 sq.m. million in 2024, a 0.5% increase compared to the previous year. This creates a higher entry barrier for new market participants and competitive environment for small and medium-sized enterprises.

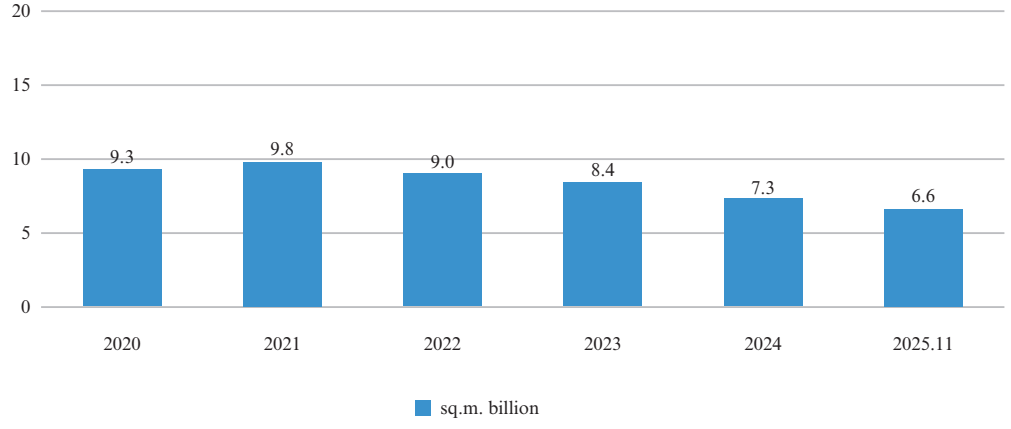
Looking ahead, the NBS shows that the total floor space of housings and buildings for sale increased by 2.6% year-over-year in November 2025, providing momentum for the market to further expand through traditional management services and value-added services. Meanwhile, the diversification of services and digital transformation in the industry are also some of the factors contributing to the growth of the market, and ensuring sustained industry grow in the years to come.

Total GFA under Management of the Industry in the PRC



Source: China Property Management Institute

Annual Floor Area under Construction in the PRC



Source: NBS

LIMITATIONS OF THE REPORT

The Report is addressed strictly to the Directors for their internal reference only. Accordingly, the Report may not be used nor relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company and the Target).

The Report does not constitute an opinion on the commercial merit of specific buying or selling transaction. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of specific buying or selling transaction and such remain the sole responsibility of the Directors and the management of the Company (the "**Management**").

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report, especially for the historical financial information of the Target of the trailing 12-months ("**LTM**") period ended 30 November 2025 provided by the Management, whether written or verbal, and no representation or warrant, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Moreover, our valuation has also relied upon other information obtained from public sources which we believe to be reliable. We accept no responsibility for accuracy and reliability of any information obtained from public sources.

VALUATION ASSUMPTIONS OF BUSINESS ENTERPRISE VALUE ANALYSIS

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target and specific competitive environments affecting the industry;
- the business risks of the Target;
- the financial conditions of the Target;
- the selected comparable companies are engaging in business operations similar to the Target;
- the experience of the management team of the Target and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target;

- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date; and

- The Target will retain and have competent management, key personnel, and technical staffs to support its ongoing operations and will continue to operate as a going concern and have sufficient liquidity and capability.

VALUATION APPROACH

General Valuation Approaches

There are three generally accepted approaches to appraise the fair value of the equity value of the Target, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Target.

Income Approach	The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset. The fundamental method for income approach is the discounted cash flow ("**DCF**") method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.
Cost Approach	The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history.

Market Approach	The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset. Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are comparable to the subject asset and then applies the result to a base of the subject asset.

Selected Valuation Approach

Each of the abovementioned approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. In this appraisal regarding the fair value of the equity value of the Target, we applied the Market Approach due to the following reasons:

- Cost Approach is not appropriate in current appraisal as it assumed the assets and liabilities of the Target are separable and can be sold separately. This methodology is more appropriate for the industries that its assets are highly liquid, like property development and financial institution. Thus, Cost Approach is not adopted in this valuation.

- Income Approach is also considered inappropriate as plenty of assumptions were involved in formulating the financial projections of the Target, and the assumptions might not be able to reflect the uncertainties in the future performance of the Target. Given that improper assumptions will impose significant impact on the fair value, Income Approach is not adopted in this valuation.

- Fair value arrived from Market Approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of the Target, their market values are good indicators of the industry of the Target. Therefore, Market Approach has been adopted in this valuation.

There are two methods commonly used in performing market approach, namely comparable transactions and comparable companies.

Comparable Transactions Method

The comparable transactions are selected with reference to the following selection criteria:

- The primary industry of the companies is being in industry of Real Estate Operating Companies, under Global Industry Classification Standard, as extracted from S&P Capital IQ;
- Over 90% of the revenue are derived in the provision of property management services;
- Over 90% of the revenue are generated in the PRC;
- Based on our desktop research, companies engaged in the provision of property management services in the PRC are all listed in Hong Kong and the PRC. Thus, the companies are listed in all major exchange markets in Hong Kong and the PRC, including the Stock Exchange of Hong Kong Ltd. ("**SEHK**") and Shanghai Stock Exchange ("**SHSE**") and Shenzhen Stock Exchange ("**SZSE**");
- The transaction was completed and announced between December 2024 and November 2025; and
- The financial information of the companies is available to the public.

Based on the above selection criteria, there was one available comparable transaction with the acquiree engaging in similar businesses as the Target during the selected period. Details of the selected comparable transaction are illustrated as follows:

Announcement Date	25 July 2025
Transaction Closed Date	23 July 2025
Acquiree	Guangzhou Zhudao Property Management Company Limited
Acquirer	Shenyang Public Utility Holdings Company Limited
Business Description of the Acquiree	Guangzhou Zhudao Property Management Company Limited engages in the property management services to Zhudao Garden in Guangzhou, the PRC.
% of Shareholding Acquired	51.0%
Consideration	RMB550,000
Implied Price-to-earnings Multiple	0.64x

Given the fact that only one recent comparable transaction can be identified, we consider that the multiple derived based on comparable transactions may not be representable for our valuation, and thus, the comparable transactions method is not appropriate as the primary method for the valuation of 100% equity value of the Target.

Comparable Companies Method

Comparable companies method is therefore selected as the primary method for the valuation of the fair value of the equity value of the Target. By adopting comparable companies method, we have to select the appropriate comparable public companies. The selection of the comparable companies was based on the comparability of the overall industry sector. Although no two companies are ever exactly alike, behind the differences there are certain business universals such as required capital investment and overall perceived risks and uncertainties that guided the market in reaching the expected returns for companies with certain similar attributes.

The comparable public companies are selected with reference to the following selection criteria:

- The primary industry of the companies is being in industry of Real Estate Operating Companies, under Global Industry Classification Standard, as extracted from S&P Capital IQ;
- Over 90% of the revenue are derived in the provision of property management services;
- Over 50% of the revenue are generated from independent third parties;
- Over 90% of the revenue are generated in the PRC;
- Based on our desktop research, companies engaged in the provision of property management services in the PRC are all listed in Hong Kong and the PRC. Thus, the companies are selected in all major exchange markets in Hong Kong and the PRC, including SEHK, SHSE and SZSE; and
- The financial information of the companies is available to the public.

During our research process, as obtained on the best effort basis, we have identified an exhaustive list of ten comparable companies that engaged in the provision of property management services. As mentioned above, since no two companies are ever exactly alike, the differences should not overshadow the similarities of the business nature of the companies. We consider these companies are comparable to the Target.

Details of the selected comparable companies are listed as follows:

#	Company Name	Stock Code	Listing Location	Business Description	Relevance to the Business of the Target[1]
1)	Starjoy Wellness and Travel Company Limited ("**Starjoy**")	SEHK: 3662	Hong Kong	Starjoy Wellness and Travel Company Limited provides property management and commercial operational services in the People's Republic of China. The company operates through Property Management Services and Commercial Operational Services segments. It offers property management services for residential communities, commercial complexes etc.; and sales assistance services, community value-added services, and heating services for both residential and non-residential units to property developers, property owners, and residents. The company also provides commercial operation and management services and market positioning, and business tenant sourcing services to commercial property developers and commercial property lessees.	Contribution from business segment(s): Property Management Services (88.8%); Commercial Operation & Management Services (10.3%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 94.2%

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from S&P Capital IQ, Bloomberg and the annual report of the respective comparable company.

#	Company Name	Stock Code	Listing Location	Business Description	Relevance to the Business of the Target[(1)]
2)	A-Living Smart City Services Co., Ltd. ("**A-Living**")	SEHK: 3319	Hong Kong	A-Living Smart City Services Co., Ltd. provides property management, sale, and inspection services in the People's Republic of China. The company offers property management services, including security, cleaning, greening, gardening, repair and maintenance, etc.; and extended value-added services for property developers, such as sales center property management services, as well as other extended value-added services comprising property agency services, housing inspection services, etc.	Contribution from business segment(s): Property Management Services (79.2%); Property Owners Value-Added Services (9.3%); Extended Value-Added Services (2.6%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 82.8%
3)	Central China New Life Limited ("**Central China**")	SEHK: 9983	Hong Kong	Central China New Life Limited provides property management and value-added services in the People's Republic of China. It is involved in the lifestyle services business. The company also manages a portfolio of properties, including residential and commercial properties, office buildings etc. In addition, it offers community value-added services, including pre-launch intermediary services, on-site management services and property inspection service etc.; and community value-added services.	Contribution from business segment(s): Property Management (77.9%); Value-Added Services (22.1%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 60.2%

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from S&P Capital IQ, Bloomberg and the annual report of the respective comparable company.

#	Company Name	Stock Code	Listing Location	Business Description	Relevance to the Business of the Target[(1)]
4)	Dexin Services Group Limited. ("**Dexin Services**")	SEHK: 2215	Hong Kong	Dexin Services Group Limited provides property management services in the People's Republic of China. The company offers property management services, including security, cleaning, gardening, and common area facility repair and maintenance services for residential and non-residential properties; value-added services comprising sales office management, preliminary planning and design consultancy etc.; and community value-added services, such as property sales and assistance and value-added, clubhouse to property owners and residents.	Contribution from business segment(s): Property Management Services (89.2%); Community Value-Added Services (6.7%); Value-Added Service to Non-Property Owners (4.1%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 52.7%
5)	Hevol Services Group Co. Limited ("**Hevol**")	SEHK: 6093	Hong Kong	Hevol Services Group Co. Limited provides property management and value-added services in the People's Republic of China. The company offers property management services, including security, cleaning, greening, gardening, and repair and maintenance services to property owners and residents, as well as property developers. It also provides community value-added services, such as home-living services and real estate brokerage. In addition, the company offers value-added services comprising site and auxiliary property management services, and property delivery related and other consulting services.	Contribution from business segment(s): Property Management Services (80.0%); Community-related Services (19.1%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 84.2%

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from S&P Capital IQ, Bloomberg and the annual report of the respective comparable company.

#	Company Name	Stock Code	Listing Location	Business Description	Relevance to the Business of the Target[(1)]
6)	SCE Intelligent Commercial Management Holdings Limited ("**SCE**")	SEHK: 606	Hong Kong	SCE Intelligent Commercial Management Holdings Limited provides property management and commercial operational services in the People's Republic of China. It operates through commercial property management and operational services, and residential property management services segments. It also provides property management services comprising cleaning, security, repair and maintenance services for property developers, property owners, and tenants; and value-added services include tenant management, parking lot management and other common area management services.	Contribution from business segment(s): Residential Property Management Services (97.4%); Commercial Property Management & Operational (2.6%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 86.7%
7)	Excellence Commercial Property & Facilities Management Group Limited ("**Excellence Commercial**")	SEHK: 6989	Hong Kong	Excellence Commercial Property & Facilities Management Group Limited provides commercial real estate services in China. It operates through three segments: Property Management Services, Finance Services, and Other Services. The Property Management Services segment offers property management services, as well as value-added services to customers. The Finance Services segment provides micro-lending services to small and medium enterprises, individual business proprietors, and individuals.	Contribution from business segment(s): Property Management Services (99.0%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 79.8%

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from S&P Capital IQ, Bloomberg and the annual report of the respective comparable company.

#	Company Name	Stock Code	Listing Location	Business Description	Relevance to the Business of the Target[(1)]
8)	Greentown Service Group Co. Ltd. ("**Greentown**")	SEHK: 2869	Hong Kong	Greentown Service Group Co. Ltd. provides residential property management services in the People's Republic of China and internationally. The company offers property management services, such as security, cleaning, gardening, and repair and maintenance services to real estate developers and property management companies. It also provides community living services, including home living services, community space services, property asset management services, and cultural and education services to property owners and residents; and technology services.	Contribution from business segment(s): Property Services (69.3%); Community Living Services (15.0%); Property Under Construction Services (9.4%) Contribution from geographical segment(s): the PRC (99.9%) Contribution from third independent parties: 97.1%
9)	KWG Living Group Holdings Limited ("**KWG**")	SEHK: 3913	Hong Kong	KWG Living Group Holdings Limited provides residential and non-residential property management services in the People's Republic of China. The company operates through two segments, Residential Property Management Services, and Non-Residential Property Management and Commercial Operational Services. It also offers commercial operational, real estate intermediary and real estate consultant, advertising planning, intelligent engineering, and business services, as well as urban and rural environmental sanitation services.	Contribution from business segment(s): Residential Property Management Services (49.5%); Non-Residential Property Management & Commercial Operational Services (50.5%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 88.6%

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from S&P Capital IQ, Bloomberg and the annual report of the respective comparable company.

#	Company Name	Stock Code	Listing Location	Business Description	Relevance to the Business of the Target[1]
10)	Nacity Property Service Group Co., Ltd. ("**Nacity**")	SHSE: 603506	the PRC	Nacity Property Service Group Co., Ltd. offers real estate property management services in China. It provides value-added services for residential properties, commercial complexes, office buildings, industrial parks, hospitals, public construction projects, and various other properties.	Contribution from business segment(s): Basic Property Services (88.3%); Property Value-Added Services (8.8%); Non-Owner Value-Added Services (1.3%) Contribution from geographical segment(s): the PRC (100.0%) Contribution from third independent parties: 100.0%

Source: S&P Capital IQ

(1) Based on the latest annual financial data as of the Valuation Date from S&P Capital IQ and Bloomberg.

As over 90% of revenue of the above comparable companies are generated from providing property management-related services in the PRC, in addition to the majority of the revenue of the above comparable companies are generated from independent third parties, these comparable companies, together with the Target, are considered to be similarly subject to the fluctuations in the economy and performance of the property management industry, among other factors. Thus, we consider they are confronted with similar industry risks and rewards.

Below are the financial details of the comparable companies:

#	Company Name	Stock Code	Listing Location	For the Twelve Months Ended 30 June 2025		As of 30 June 2025	As of 30 November 2025
				Sales	Net Profits/ (Losses)	Net Asset/ (Net Debt) Value	Market Capitalization
				(In RMB million)			
1)	Starjoy	SEHK: 3662	Hong Kong	1,266	40	1,210	300
2)	A-Living	SEHK: 3319	Hong Kong	13,282	(1,274)	9,714	3,094
3)	Central China	SEHK: 9983	Hong Kong	2,903	217	1,887	1,007
4)	Dexin Services	SEHK: 2215	Hong Kong	903	30	715	289
5)	Hevol	SEHK: 6093	Hong Kong	1,394	18	647	382
6)	SCE	SEHK: 606	Hong Kong	1,179	11	2,747	484
7)	Excellence Commercial	SEHK: 6989	Hong Kong	4,165	289	3,805	1,031
8)	Greentown	SEHK: 2869	Hong Kong	18,429	893	7,706	12,813
9)	KWG	SEHK: 3913	Hong Kong	3,308	(898)	2,558	423
10)	Nacity	SHSE: 603506	the PRC	1,830	131	1,222	2,320

Source: S&P Capital IQ

Adopted Valuation Multiples

After selecting the abovementioned comparable companies, we have to determine the appropriate valuation multiples for the valuation of Target, in which we have considered price-to-earnings ("**P/E**"), price-to-book ("**P/B**"), price-to-sales ("**P/S**"), enterprise value/sales ("**EV/S**"), enterprise value/earnings before interests and taxes ("**EV/EBIT**") and enterprise value/earnings before interests, taxes, depreciation and amortization ("**EV/EBITDA**") multiples.

P/B multiple is considered not appropriate for the valuation of the Target because book value captures only the tangible assets of a company which, if a company creates any added market value (as reflected by a P/B multiple of larger than one), should have its own intangible competencies and advantages. These intangible company-specific competencies and advantages are not captured in the P/B multiple and so in general, the equity's book value has little bearing with its fair value. Thus, the P/B multiple is not a good measurement of the fair value of a company.

P/S and EV/S multiples are considered not appropriate for the valuation of the Target because they do not consider the profitability of the Target nor that of the comparable companies. As both P/S and EV/S multiples only focus on the sales amounts but not the margins, the result will be easily distorted if the cost structure is not being taken into account. Thus, P/S and EV/S multiples are not adopted in the valuation of the Target.

P/E multiple is considered not appropriate for this valuation because it does not capture differences in financial leverage and related risk features across the companies. Similar with EV/EBIT multiple, they also comprise non-cash items in earnings, such as depreciation and amortization of fixed assets.

Therefore, EV/EBITDA multiple is considered to be the most appropriate indicator of the fair values of the comparable companies, as the multiple eliminates the difference in capital structure, taxation and depreciation methods. Hence, it is adopted in the valuation of the Target. Enterprise value is generally derived based on the market capitalization of a company, plus net debt (total debt minus cash and short-term investment), minority interest and preferred shares.

The EV/EBITDA multiples of comparable companies of the Target are as follows:

No.	Company Name	Currency	Enterprise Value as of 30 November 2025[1]	LTM EBITDA[2]	LTM EV/ EBITDA Multiple
1	Starjoy	RMB'million	(496)	86	N/A[3]
2	A-Living	RMB'million	1,777	(1,548)	N/A[4]
3	Central China	RMB'million	364	365	1.0x
4	Dexin Services	RMB'million	(136)	75	N/A[3]
5	Hevol	RMB'million	306	117	2.6x
6	SCE	RMB'million	(684)	50	N/A[3]
7	Excellence Commercial	RMB'million	115	432	0.3x
8	Greentown	RMB'million	9,033	1,783	5.1x
9	KWG	RMB'million	54	(43)	N/A[4]
10	Nacity	RMB'million	1,578	163	9.7x
				Maximum	9.7x
				Median[5]	**2.6x**
				Minimum	0.3x

Notes:

(1) Data provided by S&P Capital IQ. The enterprise values of the comparable companies are computed based on the market capitalization of the companies as of 30 November 2025 and the latest financial data of the comparable companies available as of the Valuation Date.

(2) Data provided by S&P Capital IQ and the latest financial data of the comparable companies available as of the Valuation Date.

(3) Given either the enterprise value of Starjoy, Dexin Services and SCE are negative value as of the Valuation Date. Thus, no meaningful market multiple can be derived in this analysis.

(4) Given either the LTM EBITDA of A-Living and KWG are negative value as of the Valuation Date. Thus, no meaningful market multiple can be derived in this analysis.

(5) Median and average share the same role in understanding the central tendency of a sets of numbers. Given the LTM EV/EBITDA multiple of the comparable companies are relatively scattered (i.e. 0.3x to 9.7x), average is considered to be inappropriate as the result would be biased. Meanwhile, excluding any lower or higher values would reduce the objectivity in this analysis. Therefore, Median, which would not be affected by extreme values, is regarded a better mid-point measure for skewed number distributed and mitigate the impact of extreme values. Hence, median is adopted to derive the result, which we consider to be a more reasonable approach to prevent the outliers from distorting the result.

VALUATION RESULT

(in RMB'000 unless otherwise specified)

LTM EBITDA of the Target[(1)]	96,830
Median EV/EBITDA Multiple	2.6x
Estimated 100% Enterprise Value of the Target[(2)]	254,182
Less: Debt[(3)]	(7,600)
Less: Minority Interest[(3)]	(16,364)
Add: Cash and Cash Equivalents[(3)]	81,295
Estimated 100% Equity Value of the Target (Marketable and non-controlling Basis)	311,513
Less: Lack of Marketability Discount ("**LOMD**")[(4)]	(63,549)
Fair Value of the 100% Equity Value of the Target (Non-marketable and non-controlling basis)	**247,965**

Notes:

(1) Based on the latest management accounts and financial statements for the 11-month period ended 30 November 2025 and year-ended 2024 provided by the Management, which is derived based on the net profits of approximately RMB57,198,000 as of 30 November 2025, by addition of corporate income tax expenses of approximately RMB36,181,000, other non-operating expenses of approximately RMB6,261,000 and depreciation and amortization expenses of approximately RMB2,541,000, and deduction of interest income of approximately RMB5,349,000.

(2) The amount does not equal to the multiple of LTM EBITDA of the Target and the adopted multiple illustrated above due to rounding.

(3) Based on the latest management accounts for the 11-month period ended 30 November 2025 provided by the Management.

(4) LOMD reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The EV/EBITDA multiples adopted in the valuation were calculated from public listed companies, which represent marketable ownership interest. Fair value calculated using such EV/EBITDA multiple, therefore, represent the marketable interest. Thus, LOMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value.

The report "Stout Restricted Stock Study Companion Guide (2024 edition)" by Stout Risius Ross, LLC, a reputable research company, suggested a marketability discount is 20.4% based on the average discount for 779 transactions issued by publicly traded companies from July 1980 through March 2024. A marketability discount of 20.4% is considered appropriate and suitable for this valuation as the Target is a privately held company.

The value of non-marketable interest can be calculated from marketable interest using the following formula:

Fair Value of Non-Marketable Interest = Fair Value of Marketable Interest x (1- LOMD)

CONCLUSION OF VALUE

Based on our investigation and analysis method employed, it is our opinion that as of the Valuation Date, the fair value of the equity value of the Target is **RMB247,965,000 (RENMINBI TWO HUNDRED FORTY-SEVEN MILLION NINE HUNDRED SIXTY-FIVE THOUSAND ONLY)**.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in Dexin Services Group Limited, the Target nor the value reported.

Yours faithfully,
For and on behalf of
AVISTA Valuation Advisory Limited

Vincent C B Pang
CFA, FCPA(HK), FCPA (Aus.), MRICS, RICS Registered Valuer
Managing Partner

Analysed and Reported by:
Ivan K K Lui
ACA, CFA, FCPA (HK), MRICS, RICS Registered Valuer, LL.M.
Partner

Jeffrey C F Lo
Manager

Nick C H Wang
Analyst

Note: Mr. Vincent Pang is a member of CFA Institute and CPA Australia, a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of Royal Institution of Chartered Surveyors (RICS) and a RICS registered valuer. He has over 20-year experience in financial valuation and business consulting in Hong Kong and China.

APPENDIX — GENERAL LIMITATIONS AND CONDITIONS

This Report was prepared based on the following general assumptions and limiting conditions:

- All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.

- We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the equity interest of the Target appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.

- The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.

- This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.

- Prior written consent must be obtained from AVISTA Valuation Advisory Limited for publication of this Report. Except for disclosure in the Announcement and/or the Circular in relation to the Proposed Acquisition, no part of this Report (including without limitation any conclusion, the identity of any individuals signing or associated with this Report or the firms/companies with which they are connected, or any reference to the professional associations or organisations with which they are affiliated or the designations awarded by those organisations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.

- We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this Report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organisations have been or to be obtained or renewed for any use that is relevant to value analysis in this Report.

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 Group. 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. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

a) Interests and short positions of directors and chief executives in shares, underlying shares and debentures of the Company

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

Name of Director	Nature of interest	Number of Shares interested	Percentage of the Company's issued share capital
Mr. Hu Yiping *(Note 1)*	Interest in controlled corporation *(Note 1)* Interest of spouse *(Note 1)*	529,202,279	57.65%
Mr. Tang Junjie	Beneficial owner	14,265,741	1.55%

Note:

(1) Shengfu International is owned as to 91.60% by Mr. Hu and 8.40% by Ms. Wei Peifen ("**Ms. Wei**"), the spouse of Mr. Hu. By virtue of the SFO, Mr. Hu and Ms. Wei are deemed to be interested in the Shares held by Shengfu International.

b) Interests in Shares of the Company's associated corporation

Director	Name of associated corporation	Nature of interest	Number of Shares interested	Approximate percentage of interest in associated corporation
Mr. Hu Yiping	Shengfu International	Beneficial owner	458	91.60%
Ms. Zheng Peng	Zhida Xiaorui	Interest in controlled corporation *(note 1)*	1	0.99%
Mr. Tang Junjie	Sheng Quan Holding (Hong Kong) Limited	Interest in controlled corporation *(note 2)*	9	0.09%

Notes:

(1) Ms. Zheng Peng held 100% interest in Sanchi International Enterprises Development Limited, which in turn held 1 share in Zhida Xiaorui. Therefore, Ms. Zheng Peng is deemed to be interested in the shares of Zhida Xiaorui held by Sanchi International Enterprises Development by Zhida Xiaorui under the SFO.

(2) Mr. Tang Junjie held 100% interest in Chongping Hiuchi Company Limited, which in turn held 9 shares in Sheng Quan Holding (Hong Kong) Limited. Therefore, Mr. Tang Junjie is deemed to be interested in the shares held by Chongping Hiuchi Company Limited in Sheng Quan Holding (Hong Kong) Limited under the SFO.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) of the Company which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, save as disclosed below, so far as is known to the Directors, no Director was a director or employee of a company which has an interest or short position in the shares and underlying share of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of the Company	Name of the Director	Position held by the Director in the Company
Shengfu International	Mr. Hu Yiping	Executive Director
Kaibang International Limited ("**Kaibang International**")	Ms. Zheng Peng	Executive Director

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any of the Directors and based on the publicly available information as at the Latest Practicable Date, the following persons (other than a person who is a Director or chief executive of the Company) had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or which was recorded in the register required to be kept by the Company (the "**Register**") under section 336 of the SFO:

Name of substantial shareholder	**Capacity/ Nature of interest**	**Number of shares**	**Percentage of the Company's issued share capital**
Shengfu International *(Note 1)*	Beneficial owner	529,202,279	57.65%
Ms. Wei Peifen *(Note 1)*	Interest of spouse	529,202,279	57.65%
Kaibang International	Beneficial owner	105,066,111	11.45%
HONG KONG MEI LUN INT'L CO., LIMITED ("**HK Mei Lun**") *(Note 2)*	Beneficial owner	53,418,803	5.82%
Ms. Shen Yuehua ("**Ms. Shen**")	Interest in controlled corporation	53,418,803	5.82%
Mr. Jin Liang ("**Mr. Jin**")	Interest in controlled corporation	53,418,803	5.82%

Notes:

(1) Shengfu International is owned as to 91.60% by Mr. Hu and 8.40% by Ms. Wei, the spouse of Mr. Hu. By virtue of the SFO, Mr. Hu and Ms. Wei are deemed to be interested in the Shares held by Shengfu International.

(2) HK Mei Lun is owned as to approximately 93.9% by Ms. Shen and 6.1% by Mr. Jin, the spouse of Ms. Shen. By virtue of the SFO, Ms. Shen and Mr. Jin are deemed to be interested in the Shares held by HK Mei Lun.

(3) As at the Latest Practicable Date, the total number of issued Shares of the Company was 917,881,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, other than a Director or the chief executive of the Company, none of the Shareholders had any interests or short positions in the Shares and underlying Shares which fall to be disclosed to the Company under 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 under Section 336 of the SFO.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse changes 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. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

(i) the Capital Increase Agreement;

(ii) the Previous Capital Increase Agreement;

(iii) the equity transfer agreement dated 31 July 2025 entered into by the Target Company, Shanghai Xuquan Trading Co., Ltd. (上海栩全商貿有限公司) (a subsidiary of the Company) ("**Shanghai Xuquan**"), Deqing Changzhuo Enterprise Management Co., Ltd. (德清常卓企業管理有限公司) and Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司), pursuant to which, the Target Company and Shanghai Xuquan have conditionally agreed to acquire and Deqing Changzhuo Enterprise Management Co., Ltd. (德清常卓企業管理有限公司) has conditionally agreed to sell 95% and 5% equity interest in Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司) respectively at a total consideration of RMB74,100,000 and RMB3,900,000 respectively; and

(iv) the agreement dated 28 March 2025 entered into between Shanghai Xuquan and Hangzhou Ruiyang Supply Chain Management Co., Ltd. (杭州瑞揚供應鏈管理有限公司), pursuant to which Shanghai agreed to acquire the rights-of-use of certain additional assets, which shall be applied to offset the outstanding principal loan amount of RMB259,512,000 owed by Hangzhou Ruiyang Supply Chain Management Co., Ltd. (杭州瑞揚供應鏈管理有限公司) on a dollar to dollar basis.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance that is known to the Directors to be pending or threatened against the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

8. DIRECTORS INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules.

9. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, save for the interest of Mr. Tang Junjie and Ms. Peng Zheng in transactions contemplated under the Capital Increase Agreement as disclosed on pages 24 and 25 of this circular, none of the Directors had: (i) any direct or indirect interests in any asset which have 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 lease to any member of the Group; or (ii) any subsisting material interest in any contract or arrangement at the date of this circular which is significant in relation to the business of the Group.

10. EXPERT AND CONSENT

a) The following are the qualifications of the experts who have provided advice referred to or contained in this circular:

Name	Qualification
Somerley Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
AVISTA Valuation Advisory Limited	An independent valuer

b) As at the Latest Practicable Date, the experts named above had no 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 any securities in any member of the Group.

c) The experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice or report and reference to its name in the form and context in which it appears. The letter or report from each of the above experts was given as of the date of this circular for incorporation in this circular.

d) As at the Latest Practicable Date, the experts named above did not have any interest, direct or indirect, in any assets which has been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up).

11. GENERAL

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

b) The Company's head office is located at Room 304, Building 1 Yangfan Business Centre, Liangzhu Street, Yuhang District, Hangzhou, Zhejiang Province, PRC.

c) The principal place of business of the Company in Hong Kong is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

d) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1110, Cayman Islands.

e) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

f) The company secretary of the Company is Ms. Lin Sio Ngo ("**Ms. Lin**"). Ms. Lin holds a bachelor's degree in business administration and a master's degree in corporate governance both from Hong Kong Metropolitan University, and is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

g) This circular is in both English and Chinese. In the event of inconsistency, the English text shall prevail.

12. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.dexinfuwu.com) for a period of 14 days from the date of this circular (both days inclusive):

a) the Capital Increase Agreement;

b) the letter from the Board, the text of which is set out on pages 4 to 26 of this circular;

c) the letter from the Independent Board Committee, the text of which is set out on pages 27 to 28 in this circular;

d) the letter from the Independent Financial Adviser, the text of which is set out on pages 29 to 55 in this circular;

e) the valuation report on the Target Group issued by AVISTA Valuation Advisory Limited as set out in Appendix II to this circular;

f) the written consents from the experts referred to in the paragraph headed "10. Expert and Consent" in this Appendix;

g) the material contracts referred to in the paragraph headed "5. Material Contracts" in this Appendix; and

h) this circular.

Dexin Services Group Limited
德信服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2215)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the "**EGM**") of Dexin Services Group Limited (the "**Company**") will be held at 10/F, Dexin Group Building, No. 588, East Huanzhan Road, Shangcheng District, Hangzhou, Zhejiang, China on 11 March 2026 at 10:00 a.m. for considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company. In this notice, unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Company's circular dated 24 February 2026 (the "**Circular**").

ORDINARY RESOLUTION

1. To consider and approve the transactions contemplated under the Capital Increase Agreement.

By order of the Board
Dexin Services Group Limited
Hu Yiping
Chairman

Hangzhou, PRC, 24 February 2026

Notes:

(i) A shareholder entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. On a poll, votes may be given either personally or by proxy.

(ii) In the case of joint holders, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

(iii) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

(iv) The transfer books and register of members of the Company will be closed from Friday, 6 March 2026 to Wednesday, 11 March 2026, both days inclusive, during which period no share transfers can be registered. Shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 11 March 2026 are entitled to attend and vote at the EGM. In order to qualify for attending the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 5 March 2026.

As at the date of this notice, the Board of Directors of the Company comprises Mr. Hu Yiping (Chairman), Mr. Tang Junjie and Ms. Zheng Peng as executive Directors; and Dr. Wong Wing Kuen Albert, Mr. Rui Meng and Mr. Yang Xi as independent non-executive Directors.