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

If you have sold or transferred all your shares in **C&D Property Management Group Co., Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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C&D Property Management Group Co., Ltd

建發物業管理集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2156)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF 100% EQUITY
INTERESTS IN LIANFA PROPERTY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



瓏盛資本有限公司
Draco Capital Limited

A notice convening the EGM to be held at Room 3517, 35th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong on Friday, 30 October 2026 at 10:00 a.m. is set out on pages N-1 to N-3 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours before the time specified for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

12 October 2026

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DEFINITIONS

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

“Acquisition”	the acquisition of 100% equity interests in Lianfa Property by Xiamen Lirong subject to and upon the terms and conditions of the Equity Transfer Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Benchmark Date”	31 March 2026
“Board”	the board of directors of the Company
“C&D Inc.”	Xiamen C&D Inc. (廈門建發股份有限公司), a joint stock company established in the PRC with limited liability on 10 June 1998, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600153), held by Xiamen C&D as to 46.79% and a controlling shareholder of the Company
“C&D Real Estate”	C&D Real Estate Corporation Limited (建發房地產集團有限公司), a controlling shareholder of the Company
“CDI”	C&D International Investment Group Limited (建發國際投資集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1908), and a controlling shareholder of the Company
“Company”	C&D Property Management Group Co., Ltd (建發物業管理集團有限公司), a BVI business company incorporated in the BVI with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“EGM”	an extraordinary general meeting to be held by the Company at Room 3517, 35th Floor, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong on Friday, 30 October 2026 at 10:00 a.m. to approve, among other things, the transactions contemplated under the Equity Transfer Agreement

DEFINITIONS

“Equity Transfer Agreement”	the equity transfer agreement dated 11 September 2026 between Xiamen Lirong and Xiamen Lianfa, pursuant to which, Xiamen Lianfa agreed to sell, and Xiamen Lirong agreed to acquire 100% equity interests in Lianfa Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company and comprising all the independent non-executive Directors, which was formed to advise the Independent Shareholders on the transactions contemplated under the Equity Transfer Agreement
“Independent Financial Adviser”	Draco Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders on the transactions contemplated under the Equity Transfer Agreement
“Independent Shareholders”	Shareholders who, under the Listing Rules, are not required to abstain from voting for the resolution approving the transactions contemplated under the Equity Transfer Agreement
“Independent Third Party”	a person(s) who, as far as our Directors are aware of, after having made all reasonable enquiries, is/are not a connected person(s) of the Company
“Latest Practicable Date”	5 October 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular
“Lianfa Group”	Lianfa Group Co., Ltd.* (聯發集團有限公司), the direct holding company of Xiamen Lianfa and a subsidiary of C&D Inc.
“Lianfa Property”	Xiamen Lianfa (Group) Property Services Company Limited* (廈門聯發(集團)物業服務有限公司), a wholly-owned subsidiary of Xiamen Lianfa
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Main Board”	Main Board of the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong), as amended or supplemented from time to time
“Shareholders”	the shareholder(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Report”	the valuation report in respect of 100% of the equity interest in Lianfa Property issued by the Valuer on 5 July 2026
“Valuer”	United Zhonghe Land and Real Estate Asset Appraisal Co., Ltd.* (聯合中和土地房地產資產評估有限公司), an independent valuer appointed to assess the fair value of Lianfa Property, being a third party independent of the Company and its connected persons
“Xiamen C&D”	Xiamen C&D Group Co., Ltd. (廈門建發集團有限公司), a controlling shareholder of the Company
“Xiamen Lianfa”	Xiamen Lianfa (Group) Real Estate Co., Limited* (廈門聯發(集團)房地產有限公司), a subsidiary of C&D Inc.*
“Xiamen Lirong”	Xiamen Lirong Investment Management Co., Ltd.* (廈門利融投資管理有限公司), a wholly-owned subsidiary of the Company
“%”	per cent.

LETTER FROM THE BOARD

C&D Property Management Group Co., Ltd

建發物業管理集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2156)

Executive Directors:

Ms. Qiao Haixia (*Chairperson*)

Mr. Huang Danghui (*Chief Executive Officer*)

Non-executive Directors:

Mr. Lin Weiguo

Mr. Tian Meitan

Mr. Xu Yixuan

Independent non-executive Directors:

Mr. Lee Cheuk Yin Dannis

Mr. Li Kwok Tai James

Mr. Wu Yat Wai

Registered office:

Vistra (BVI) Limited

Vistra Corporate Services Centre

Wickhams Cay II

Road Town

Tortola

British Virgin Islands

VG 1110

*Principal place of business
in Hong Kong:*

Room 3517, 35/F

Wu Chung House

213 Queen's Road East

Wan Chai, Hong Kong

12 October 2026

To the Shareholders

Dear Sir/Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF 100% EQUITY
INTERESTS IN LIANFA PROPERTY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 11 September 2026. The purpose of this circular is (i) to provide the Shareholders with further information on the Equity Transfer Agreement; (ii) to set out the recommendation from the Independent Board Committee in relation to the Equity Transfer Agreement; (iii) to set out the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) to give the Shareholders a notice of the EGM and other information in accordance with the requirements of the Listing Rules.

LETTER FROM THE BOARD

ACQUISITION OF 100% EQUITY INTERESTS IN LIANFA PROPERTY

On 11 September 2026 (after trading hours), Xiamen Lianfa, a subsidiary of C&D Inc., entered into the Equity Transfer Agreement with Xiamen Lirong, a wholly-owned subsidiary of the Company, pursuant to which Xiamen Lianfa agreed to sell, and Xiamen Lirong agreed to acquire, 100% equity interests in Lianfa Property. The aggregate cash consideration under the Equity Transfer Agreement shall be RMB304.41 million, which was determined with reference to the Valuation Report.

EQUITY TRANSFER AGREEMENT

Date

11 September 2026 (after trading hours)

Parties

- (a) Xiamen Lianfa, as vendor; and
- (b) Xiamen Lirong, as purchaser.

Subject matter

Pursuant to the Equity Transfer Agreement, Xiamen Lianfa agreed to sell, and Xiamen Lirong agreed to acquire, 100% equity interests in Lianfa Property in cash. Upon completion of the Equity Transfer Agreement, Lianfa Property will become a wholly-owned subsidiary of Xiamen Lirong.

Consideration

The consideration for the Acquisition shall be RMB304.41 million (tax inclusive), which was determined based on arm's length negotiation between Xiamen Lianfa and Xiamen Lirong with reference to the appraised value of Lianfa Property based on the Valuation Report.

Within ten business days from the date on which the conditions precedent are satisfied (or duly waived by Xiamen Lirong) and the completion of the transfer of the equity interests of Lianfa Property, Xiamen Lirong shall pay the first instalment of the consideration of RMB254.41 million to Xiamen Lianfa.

Subject to the completion of the transfer of the equity interests of Lianfa Property, Xiamen Lirong shall pay the second instalment of the consideration of RMB50 million to Xiamen Lianfa within ten business days from before 30 June 2027.

LETTER FROM THE BOARD

Conditions precedent

Completion of the Acquisition is conditional upon the fulfilment or waiver of the following conditions:

- (a) all necessary internal approvals, authorisations and corporate procedures required to be obtained by Xiamen Lianfa and Xiamen Lirong in connection with the Equity Transfer Agreement and the transactions contemplated thereunder having been duly obtained and completed;
- (b) no law, regulation, rule or governmental order having been enacted, promulgated, implemented or adopted by any competent authority which prohibits, restricts or otherwise renders unlawful the consummation of the transactions contemplated under the Equity Transfer Agreement;
- (c) the representations and warranties made by Xiamen Lianfa under the Equity Transfer Agreement remaining true, accurate and complete in all material respects as at the completion date;
- (d) prior to completion, claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates shall be settled, recovered or repaid; and Lianfa Property shall enter into corresponding framework agreements with relevant connected persons which shall set out the principal terms of the continuing connected transactions according to the requirements of the Listing Rules; and
- (e) there having been no material adverse change in respect of Lianfa Property during the period from the Benchmark Date to the completion date.

Xiamen Lirong may, at its sole discretion waive in writing any of the above conditions precedent (other than those which are incapable of waiver under applicable laws). The conditions precedent that relate to compliance with Listing Rules' requirements will not be waived by Xiamen Lirong.

If within 180 days from the date of the Equity Transfer Agreement (i.e. by 9 March 2027), the conditions precedent have still not been satisfied (or waived) for reasons not attributable to either party, then both parties shall have the right to terminate the agreement.

Completion

Completion shall take place upon Xiamen Lirong being registered as the sole shareholder of the equity interests in Lianfa Property and upon completion of the relevant equity transfer procedures.

Upon completion, Lianfa Property will become a wholly-owned subsidiary of Xiamen Lirong and an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Company.

LETTER FROM THE BOARD

Other Matters

Xiamen Lirong is entitled to or liable for all profits and losses of Lianfa Property during the period from the Benchmark Date to the completion date (the “**Interim Period**”). The consideration for the Acquisition was determined by reference to the appraised value of Lianfa Property as at the Benchmark Date and on the assumption that Lianfa Property would maintain its status as a going concern from the Benchmark Date onwards, which took into account the expected operating profits and losses of Lianfa Property during the Interim Period. This benchmark date mechanism is commonly adopted in equity transfer transactions and ensures that the consideration payable by Xiamen Lirong accurately reflects the value of the equity interest as at the date on which it was valued. Although Xiamen Lirong will not operate or manage Lianfa Property during the Interim Period, the allocation of economic risk and reward from the Benchmark Date is consistent with the commercial logic of the transaction such that the consideration was negotiated on the basis of Lianfa Property’s financial position as at that date, and any subsequent improvement or deterioration in financial performance directly affects the value of what Xiamen Lirong will acquire upon completion. During the period from the Benchmark Date to 31 August 2026, Lianfa Property realized a total net profit of approximately RMB27.43 million according to its management accounts, and there is not expected to be matters which would have a material adverse effect on Lianfa Property’s results of operations before completion of the Acquisition.

Having consider the above, as well as the deduction mechanism stated below for any non-operating losses incurred by Lianfa Property prior to 30 June 2027, the Board was of the view that the profit and loss allocation arrangement is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

During the period from the date of the Equity Transfer Agreement to 30 June 2027, if Xiamen Lirong is liable for any liabilities, losses and responsibilities as a result of Lianfa Property’s violation of laws, regulations, breach of contract or infringement in respect of taxation, labour and personnel, social insurance, housing provident fund, project subcontracting, work safety, environmental protection, or accrued liabilities, contingent liabilities or undisclosed liabilities of Lianfa Property (other than those reflected in the financial statements) existing prior to the completion date, Xiamen Lirong is entitled to deduct the amount thereof from the second installment of the consideration.

VALUATION

The Valuation Report was issued by the Valuer on 5 July 2026 using the market approach as the basis for the final valuation. According to the Valuation Report, the appraised value of the entire shareholders’ equity of Lianfa Property as at the Benchmark Date was RMB304.41 million.

Further details of the Valuation Report containing, among other things, the principal assumptions, valuation model and inputs used in the preparation of the Valuation, are set out in Appendix I to this circular.

LETTER FROM THE BOARD

Valuer's background and independence

In evaluating the appointment of the Valuer, the Board considered the nature of the Acquisition. Lianfa Property is a property management company whose business operations are conducted solely in the PRC and a group company of C&D Inc., whose shares are listed on the Shanghai Stock Exchange. Given these features, the Company considered it appropriate to engage a valuer that is qualified to carry out equity valuations of PRC enterprises under the applicable PRC asset appraisal regime.

The Company also assessed the Valuer's relevant experience and qualifications. The Valuer is a professional and qualified valuer in PRC, being an asset appraisal institution that has filed with the competent PRC authority and a member of the China Appraisal Society. It is therefore required to carry out the Valuation in accordance with the PRC Asset Appraisal Standards. As a member of the China Appraisal Society, the Valuer is also bound by that society's practice standards and guidance. It also holds a Securities and Futures Related Business Valuation Qualification Certificate (《證券期貨相關業務評估資格證書》) recognised by the Ministry of Finance and the China Securities Regulatory Commission, and is therefore qualified to assess the equity value of Lianfa Property.

In particular, the PRC Asset Appraisal Practice Standard applies where the subject of the appraisal is a member of a group of a company listed on the A-share market. Under that standard, comparable companies used in the listed-company comparison method must be "listed companies trading normally on the open market". They must also be "identical or comparable to the subject of the valuation in terms of the trading market". The guidance of the China Appraisal Society further provides that where the subject of a valuation is a domestic entity, the comparables selected should be A-share companies only, because they fairly reflect that entity's market value in the PRC. To comply with these practice standards and guidance, the Valuer selected only A-share listed companies as comparables for Lianfa Property. The Board notes that this approach is consistent with accepted industry convention. It is also consistent with general market practice for similar transactions.

Taking into consideration the fact that the Valuer is independent from the Company and its connected persons, and the qualification and experience of the Valuer in business valuations, the Board is satisfied with the Valuer's independence and is of the view that the Valuer is competent to conduct the Valuation, and acknowledges that the selection of comparable companies only from A-share listed companies was made independently by the Valuer in accordance with applicable professional standards and provides an appropriate reference for the Valuation.

Opinions from the Board

The Board had discussed with the Valuer and reviewed the Valuation Report, and has fully considered the appropriateness of the valuation method adopted by the Valuer as well as the selection criteria of the comparable companies and the valuation assumptions. The Board was of the opinion that the valuation results are fair and reasonable.

LETTER FROM THE BOARD

The Board is of the view that such methodology is appropriate in the context of the transaction contemplated under the Equity Transfer Agreement as (i) the Valuer has given due consideration to the industry characteristics, business model and growth prospects of Lianfa Property; and (ii) the market approach is able to capture the market positioning of such an enterprise, and is consistent with generally accepted valuation practice in the PRC for the appraisal of equity interests in property management companies.

The Board also noted that the selection criteria of the comparable companies are (i) sufficiently objective, while excluding the impact of idiosyncratic risks, (ii) designed to identify companies with business characteristics, operating models and market environments sufficiently similar to those of Lianfa Property, and (iii) the selection represents an exhaustive list of all companies meeting such criteria. Therefore, the Board is satisfied that the selection process was conducted independently by the Valuer in accordance with professional standards, and that the resulting pool of comparable companies provides an appropriate reference for the purposes of the valuation.

INFORMATION OF LIANFA PROPERTY

As at the Latest Practicable Date, the registered capital of Lianfa Property subscribed and paid-in by Xiamen Lianfa was RMB50 million; and Xiamen Lianfa held Lianfa Property's entire equity interest.

Lianfa Property is principally engaged in property management business operation in the PRC, and mainly provides residential and commercial property management services to properties developed by Xiamen Lianfa and its related parties. As at 31 March 2026, Lianfa Property managed a total gross floor area of approximately 25.79 million square metres across 180 projects in 24 cities situated in 11 provinces or municipalities, details of which are set out below.

Region	Areas under management (ten thousand square metres)	Number of projects
Fujian	950	75
Jiangxi	377	24
Guangxi	490	30
Chongqing	210	9
Hubei	164	12
Jiangsu	128	7
Tianjin	115	12
Others	<u>145</u>	<u>11</u>
Total	<u>2,579</u>	<u>180</u>

LETTER FROM THE BOARD

Continuing transaction between Xiamen Lianfa and its related parties on one hand and Lianfa Property on the other hand regarding (1) the licensing of intellectual property to Lianfa Property; (2) provision of property management, community value-added and non-owner value-added services to Xiamen Lianfa and its associates; and (3) the lease of office premises to Lianfa Property, which are entered into for a fixed term will constitute continuing connected transactions of the Company upon completion of the Acquisition (i.e. from the day when Lianfa Property becomes a member of the Group).

Set out below is Lianfa Property's revenue generated from Xiamen Lianfa and its related parties for the following services in 2024 and 2025 and the six months ended 30 June 2026:

Unit: RMB million

	For the year ended 2024	For the year ended 2025	For the six months ended 30 June 2026
Property Management Services	44.7	64.1	32.3
Community Value-added Services	19.2	16.9	15.4
Non-owner value-added Services	55.5	49.3	23.1
Revenue generated from Xiamen Lianfa and its related parties	119.4	130.3	70.9
Percentage of Lianfa Property's consolidated revenue generated from Xiamen Lianfa and its related parties	15.8%	16.0%	17.6%

Since Xiamen Lianfa intends to engage Lianfa Property to provide such services after completion of the Acquisition and the Group intends to continue to conduct the transaction under such agreements upon completion of the Acquisition, the Company will comply with the disclosure requirements including the publication of an announcement in the completion announcement of the Acquisition (i.e. when such continuing transactions become a continuing connected transaction of the Company).

Set out below is certain financial information from the consolidated statements of Lianfa Property:

Unit: RMB

	For the year ended 31 December 2024 (audited)	For the year ended 31 December 2025 (audited)
Profit before taxation	46,160,876.55	57,896,428.34
Profit after taxation	39,204,324.62	48,038,756.10

LETTER FROM THE BOARD

The consolidated and audited total assets and net assets of Lianfa Property as at 31 March 2026 (i.e., the Benchmark Date) were RMB909,558,432.94 and RMB62,533,269.38, respectively.

As at 31 March 2026, other receivables of Lianfa Property due from Lianfa Group was RMB484.6 million, and such amount will be settled or returned by Lianfa Group before Completion according to the Equity Transfer Agreement.

INFORMATION ABOUT THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

Xiamen Lirong is a company established with limited liability in the PRC, a wholly-owned subsidiary of the Company and is principally engaged in investment and asset management.

Xiamen Lianfa is a company established with limited liability in the PRC, a subsidiary of C&D Inc. and is principally engaged in the development and sales of properties in the PRC. C&D Inc. is principally engaged in supply chain operation, real estate development and industrial investment, etc..

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is a BVI business company incorporated in the BVI with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Company and its subsidiaries are principally engaged in property management services, community value-added and synergy services, value-added services to non-property owners and commercial property operation management services in the PRC.

The Company is of the view that (1) through the acquisition of Lianfa Property, the Company will expand the gross floor area under management of its property management business, enhance its management concentration in core cities, and increase economies of scale, which will help boost the revenue and profit scale of its property management business; and (2) the above integration aims to further strengthen the Company's competitive advantages and sustainable development capabilities, accelerate the construction of a comprehensive property service system, and deliver more stable and sustained value returns to all shareholders.

The Company considers that the terms of the Equity Transfer Agreement are fair and reasonable and that the Acquisition is in the interest of the Company and the Shareholders as a whole.

APPROVAL BY THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, and in view of the fact that Mr. Lin Weiguo, being a Director, also serves as a director of Lianfa Group, he may have or may be perceived to have conflicts of interest or potential conflicts of interest in the transactions contemplated under the Equity Transfer Agreement. On a prudent basis, he has abstained from voting on the relevant resolutions approving the transactions contemplated under the Equity Transfer Agreement. Save as

LETTER FROM THE BOARD

aforesaid, none of the Directors was required to abstain from voting on the Board resolution for considering and approving the transactions contemplated under the Equity Transfer Agreement.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, (i) CDI held 565,032,364 Shares and controlled the voting rights of 219,945,505 Shares, representing an aggregate of approximately 55.74% of the Shares; and (ii) Well Land International Limited held 85,633,525 Shares (excluding 219,945,505 Shares, the voting rights of which has been entrusted to CDI), representing approximately 6.08% of the Shares, were the Company's controlling shareholders.

As at the Latest Practicable Date, C&D Real Estate held 18,084,000 shares in CDI, representing approximately 0.78% of the issued share capital of CDI, and Well Land International Limited held 1,321,328,302 shares in CDI, representing approximately 57.05% of the issued share capital of CDI, and is wholly-owned by C&D Real Estate. Accordingly, C&D Real Estate held an aggregate of 1,339,412,302 shares in CDI, representing approximately 57.83% of the issued share capital of CDI. C&D Real Estate was owned as to 64.654% and 35.346% by C&D Inc. and Xiamen C&D, respectively.

C&D Inc. is a controlling shareholder of the Company, and Xiamen Lianfa is a subsidiary of C&D Inc.. Xiamen Lianfa is therefore a connected person of the Company, and the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable and connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL

The Independent Board Committee was established to consider and advise the Independent Shareholders on the transactions contemplated under the Equity Transfer Agreement. Draco Capital Limited was appointed by the Company to advise the Independent Board Committee and Independent Shareholders as to whether the terms of the Equity Transfer Agreement are fair and reasonable, and the transactions contemplated under the Equity Transfer Agreement are entered into on normal commercial terms or better in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole.

EXTRAORDINARY GENERAL MEETING

The EGM will be held by the Company at Room 3517, 35th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong on Friday, 30 October 2026 at 10:00 a.m., to consider and if thought fit, to approve, among other things, the transactions contemplated under the Equity Transfer Agreement. A form of proxy for use at the EGM is enclosed with this circular.

LETTER FROM THE BOARD

Any Shareholder and his/her/its associates with a material interest in the resolution shall abstain from voting on the resolution to be proposed at the EGM. CDI (which held 565,032,364 Shares and controlled the voting rights of 219,945,505 Shares, representing an aggregate of approximately 55.74% of the Shares as at the Latest Practicable Date) and Well Land (which held 85,633,525 issued Shares (excluding 219,945,505 issued Shares, the voting rights of which has been entrusted to CDI), representing approximately 6.08% of the Shares as at the Latest Practicable Date), shall abstain from voting on the proposed resolution to approve the transactions contemplated under the Equity Transfer Agreement at the EGM.

Save for the aforesaid and to the best knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholders were required to abstain from voting on the relevant resolution in relation to the transactions contemplated under the Equity Transfer Agreement.

The notice convening the EGM is set out on pages N-1 to N-3 of this circular.

For those who intend to direct a proxy to attend the EGM, please complete the form of proxy and return the same in accordance with the instructions printed thereon. In order to be valid, the above documents must be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the EGM or any adjournment thereof. The register of members of the Company will be closed from Tuesday, 27 October 2026 to Friday, 30 October 2026 (both days inclusive), during which time no share transfers will be effected. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Friday, 30 October 2026. In order to qualify for attending the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong at the above address by no later than 4:30 p.m. on Monday, 26 October 2026. The holders of the Shares whose names appear on the register of members of the Company on Friday, 30 October 2026 are entitled to attend and vote in respect of the resolution to be proposed at the EGM.

You are urged to complete and return the form of proxy whether or not you will attend the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM (or any subsequent meetings following the adjournments thereof) should you wish to do so.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders on the reasonableness and fairness in respect of the transactions contemplated under the Equity Transfer Agreement. Draco Capital Limited, the Independent Financial Adviser, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter from the Independent Board Committee is set out on pages IBC-1 to IBC-2 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is set out on pages IFA-1 to IFA-39 of this circular.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) consider that the transactions contemplated under the Equity Transfer Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As such, the Directors recommend that the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM.

VOTE BY POLL

In accordance with the articles of association of the Company, all votes in the EGM must be taken by poll. The methods of Shareholders' votes at the EGM will be conducted by the combination of on-site voting and online voting.

FURTHER INFORMATION

Your attention is also drawn to the general information set out in the Appendix II to this circular.

Yours faithfully,
By Order of the Board
C&D Property Management Group Co., Ltd
建發物業管理集團有限公司
Qiao Haixia
Chairperson and executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in connection with the entering into of the Equity Transfer Agreement for inclusion in this circular.

C&D Property Management Group Co., Ltd

建發物業管理集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2156)

12 October 2026

To the Independent Shareholders

Dear Sir/Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF 100% EQUITY INTERESTS IN LIANFA PROPERTY

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to our opinion on the transactions contemplated under the Equity Transfer Agreement, the details of which are set out in the circular issued by the Company to the Shareholders dated 12 October 2026 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires. Draco Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee. We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages IFA-1 to IFA-39 of the Circular.

Having taken into account (i) the reasons as disclosed in the paragraph headed “Reasons for and benefit of the entering into of the Equity Transfer Agreement” of the Circular; and (ii) the principal factors and reasons considered by the Independent Financial Adviser, and its conclusion and advice, we are of the view and concur with the opinion of the Independent Financial Adviser that the transactions contemplated under the Equity Transfer Agreement are fair and reasonable, on normal commercial terms or better and in the ordinary course of business of the Group; and in the interests of the Shareholders as a whole. Accordingly, we

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the Equity Transfer Agreement.

Yours faithfully,
Independent Board Committee of
C&D Property Management Group Co., Ltd
建發物業管理集團有限公司
Mr. Lee Cheuk Yin Dannis
Mr. Li Kwok Tai James
Mr. Wu Yat Wai
(Independent non-executive Directors)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Draco Capital Limited setting out its advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

Draco Capital Limited
5/F, Shun On Commercial Building,
112–114 Des Voeux Road Central,
Hong Kong
+852 3619 2588

12 October 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 100% EQUITY INTERESTS IN LIANFA PROPERTY

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, details of which are set out in the letter from the Board (the “**Letter from the Board**”) in the circular issued by C&D Property Management Group Co., Ltd (the “**Company**”) to the Shareholders dated 12 October 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 11 September 2026 in relation to the Acquisition.

As disclosed in the announcement of the Company dated 11 September 2026, on 11 September 2026 (after trading hours), Xiamen Lianfa, a subsidiary of C&D Inc., entered into the Equity Transfer Agreement with Xiamen Lirong, a wholly-owned subsidiary of the Company, pursuant to which Xiamen Lianfa agreed to sell, and Xiamen Lirong agreed to acquire, 100% equity interests in Lianfa Property. The aggregate cash consideration under the Equity Transfer Agreement is RMB304.41 million, which was determined with reference to the Valuation Report.

Upon completion of the Acquisition, Lianfa Property will become a wholly-owned subsidiary of Xiamen Lirong and an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BACKGROUND OF THE TRANSACTION

As disclosed in the Circular, Lianfa Property is principally engaged in property management business operation in the PRC, and mainly provides residential and commercial property management services to properties developed by Xiamen Lianfa and its related parties. The Acquisition therefore involves a business that is directly related to the Group's principal property management operations.

The Company's listing document dated 28 December 2020 disclosed that the Group and Lianfa Property had historically operated under separate property management platforms with different principal sources of projects, and that the Group and Lianfa Property were expected to continue to operate independently following the spin-off and listing of the Company. The listing document also described separate management, operation, administration, accounting, finance and human resources systems for the two businesses at that time.

We note that the above historical disclosure is relevant background in considering the Acquisition because it shows that the Group and Lianfa Property had previously operated as separate property management platforms. Our assessment of the current transaction, however, is based principally on the reasons and benefits disclosed in the Circular, the terms of the Equity Transfer Agreement and the current financial and valuation information set out below.

As disclosed in the Letter from the Board, the Company is of the view that (i) through the acquisition of Lianfa Property, the Company will expand the gross floor area under management of its property management business, enhance its management concentration in core cities and increase economies of scale, which will help boost the revenue and profit scale of its property management business; and (ii) the integration aims to further strengthen the Company's competitive advantages and sustainable development capabilities, accelerate the construction of a comprehensive property service system, and deliver more stable and sustained value returns to all Shareholders.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date and prior to completion of the Acquisition, Lianfa Property is wholly-owned by Xiamen Lianfa. Upon completion, Lianfa Property will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Group.

As disclosed in the Letter from the Board, C&D Inc. is a controlling shareholder of the Company, and Xiamen Lianfa is a subsidiary of C&D Inc. Xiamen Lianfa is therefore a connected person of the Company. The transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable and connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the Letter from the Board, Mr. Lin Weiguo, being a Director and also a director of Lianfa Group, may have or may be perceived to have conflicts of interest or potential conflicts of interest in the transactions contemplated under the Equity Transfer Agreement and, on a prudent basis, abstained from voting on the relevant Board resolutions. Save as aforesaid, none of the other Directors was required to abstain from voting on the relevant Board resolutions. At the EGM, C&D International Investment Group Limited and Well Land International Limited, each being a subsidiary of C&D Real Estate, shall abstain from voting on the proposed resolution to approve the transactions contemplated under the Equity Transfer Agreement. Save for the aforesaid, no other Shareholders are required to abstain from voting on the relevant resolution.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Lee Cheuk Yin Dannis, Mr. Li Kwok Tai James and Mr. Wu Yat Wai, has been formed to advise the Independent Shareholders as to whether the transactions contemplated under the Equity Transfer Agreement are in the ordinary and usual course of business of the Group, on normal commercial terms or better, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote in respect of the relevant resolution to be proposed at the EGM.

In our capacity as the Independent Financial Adviser, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation in this regard.

OUR INDEPENDENCE

We, Draco Capital Limited (“**Draco Capital**”), have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders. Draco Capital is a licensed corporation under the Securities and Futures Ordinance to conduct Type 6 (advising on corporate finance) regulated activity, and has participated in and completed various independent financial advisory transactions.

As at the Latest Practicable Date, we confirm that there is no relationship or interest between Draco Capital and the Company, C&D Inc., Xiamen Lianfa, Xiamen Lirong, Lianfa Property or any of their respective subsidiaries, associates, substantial shareholders, directors or chief executives that could reasonably be regarded as a hindrance to Draco Capital’s independence as set out under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition.

We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly are eligible to give independent advice and recommendation. Apart from the normal professional fees payable to us in connection with our appointment as the Independent Financial Adviser, no arrangement exists whereby we will

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

receive any fees or benefits from the Company, C&D Inc., Xiamen Lianfa, Xiamen Lirong, Lianfa Property or any of their respective subsidiaries, associates, substantial shareholders, directors or chief executives that could reasonably be regarded as relevant to our independence.

During the past two years, Draco Capital has not acted as independent financial adviser to the Company and/or C&D International.

BASIS OF OUR OPINION

In arriving at our opinion and recommendation, we have reviewed, among other things, (i) the Circular and the Letter from the Board; (ii) the announcement of the Company dated 11 September 2026 in relation to the Acquisition; (iii) the Equity Transfer Agreement dated 11 September 2026; (iv) the Valuation Report dated 5 July 2026, being United Zhonghe Appraisal Report (2026) No. 5010; (v) the financial information of Lianfa Property disclosed in the Circular and the Valuation Report; (vi) the annual report of the Company for the year ended 31 December 2025 and the interim results of the Company for the six months ended 30 June 2026; and (vii) such other information and documents as we considered necessary for the purpose of forming our opinion.

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Company, the directors and the Management. We have assumed that all information, representations and opinions contained or referred to in the Circular and all information and representations which have been provided by the Company, the directors and the Management, for which they are solely and wholly responsible, were true and accurate at the time they were made and will continue to be true and accurate as at the Latest Practicable Date. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management.

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

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group, Xiamen Lirong, Xiamen Lianfa and Lianfa Property.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our opinion is necessarily based on the financial, economic, market and other conditions in effect, and the information made available to us, as at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into consideration the following principal factors and reasons:

1. Background of the Acquisition

1.1 Information of the Company and the Group

The Company is a BVI business company incorporated in the British Virgin Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2156). The Group is principally engaged in property management services, community value-added and synergy services, value-added services to non-property owners and commercial property operation management services in the PRC.

According to the annual report of the Company for the year ended 31 December 2025, the Group recorded revenue of approximately RMB3,880.5 million for FY2025, representing an increase of approximately 17.8% from approximately RMB3,292.9 million for FY2024. Profit attributable to equity holders of the Company for FY2025 was approximately RMB358.9 million, representing an increase of approximately 11.0% from approximately RMB323.5 million for FY2024. Property management services remained the largest business segment of the Group, with revenue of approximately RMB2,225.4 million for FY2025. The Group's GFA under management increased from approximately 75.5 million sq.m. as at 31 December 2024 to approximately 91.7 million sq.m. as at 31 December 2025.

The Group also had a sizeable cash position. As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB3,414.4 million. Such liquidity provides the Group with financial flexibility to pursue business expansion and integration opportunities, subject to prudent assessment of consideration, valuation and working capital requirements.

According to the announcement of interim results of the Company for the six months ended 30 June 2026 published on 27 August 2026, the Group recorded revenue of approximately RMB2,157.2 million, representing a year-on-year increase of approximately 18.3%, and profit attributable to equity holders of approximately RMB240.2 million, representing a year-on-year increase of approximately 11.2%. As at 30 June 2026, the Group had GFA under management of approximately 96.4 million sq.m. across 644 projects, compared with approximately 91.7 million sq.m. and 619 projects as at 31 December 2025. Property management services remained the largest revenue contributor, accounting for approximately 60.7% of the Group's revenue for the six months ended 30 June 2026.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The continued growth in revenue, profit attributable to equity holders and GFA under management demonstrates the Group's ongoing expansion of its core property management platform. We consider that the Acquisition, which adds another established property management business, is consistent with this development trajectory and may further enhance operating scale and regional density.

RMB million, unless otherwise stated	FY2024/as at 31 Dec 2024	FY2025/as at 31 Dec 2025
Revenue	3,292.9	3,880.5
Profit attributable to equity holders	323.5	358.9
GFA under management (million sq.m.)	75.5	91.7
Revenue from property management services	1,781.1	2,225.4
Cash and cash equivalents	2,894.8	3,414.4

We consider that the Acquisition is strategically connected with the Group's principal business because Lianfa Property is also engaged in property management business in the PRC. If completed, the Acquisition is expected to increase the Group's business scale and deepen its operating presence in regions where Lianfa Property has existing projects and customer relationships.

1.2 Information of Xiamen Lirong

As disclosed in the Letter from the Board, Xiamen Lirong is a company established with limited liability in the PRC, a wholly-owned subsidiary of the Company and is principally engaged in investment and asset management. The Valuation Report also identifies Xiamen Lirong as one of the valuation principals and records the proposed transfer of 100% equity interests in Lianfa Property from Xiamen Lianfa to Xiamen Lirong.

Upon completion of the Acquisition, Lianfa Property will become a wholly-owned subsidiary of Xiamen Lirong and an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the Group's financial statements.

1.3 Information of Xiamen Lianfa and connected relationship

As disclosed in the Letter from the Board, Xiamen Lianfa is a company established with limited liability in the PRC, a subsidiary of C&D Inc. and is principally engaged in the development and sales of properties in the PRC. C&D Inc. is principally engaged in supply chain operation, real estate development and industrial investment, etc.

C&D Inc. is a controlling shareholder of the Company and Xiamen Lianfa, being a subsidiary of C&D Inc., is a connected person of the Company under Chapter 14A of the Listing Rules. As the Acquisition involves the acquisition of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

100% equity interests in Lianfa Property from Xiamen Lianfa, the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

1.4 Information of Lianfa Property

According to the Letter from the Board, Lianfa Property has a registered capital of RMB50.0 million, which has been fully paid up by Xiamen Lianfa, and Xiamen Lianfa holds the entire equity interests in Lianfa Property prior to completion of the Acquisition.

Lianfa Property is principally engaged in property management business in the PRC, and mainly provides residential and commercial property management services to properties developed by Xiamen Lianfa and its related parties. Based on the Valuation Report, the historical financial information is prepared on a consolidated basis covering 25 wholly-owned first-tier subsidiaries and one wholly-owned second-tier subsidiary. The target group has operations in multiple cities including Xiamen, Guilin, Jiujiang, Jiangmen, Suzhou, Tianjin, Nanjing, Liuzhou, Hangzhou, Chongqing, Nanchang, Quanzhou, Wuhan, Ezhou, Ganzhou, Fuzhou, Putian, Nanning, Zhangzhou, Hefei, Shenzhen, Guangzhou, Shanghai and Xi'an.

Based on information provided by the Management, as at 31 March 2026, Lianfa Property managed approximately 25.79 million sq.m. of GFA across 180 regular managed projects (excluding sales offices) in 24 prefecture-level cities. Approximately 82.5% of the managed GFA related to residential properties and approximately 17.5% related to non-residential properties. Based on the basic property management revenue generated by these 180 projects for the three months ended 31 March 2026, approximately 90.4% was attributable to projects developed by Xiamen Lianfa and its related parties, while approximately 9.6% was attributable to externally sourced projects.

The above operating scale and geographic coverage support the Company's view that the Acquisition will enlarge the Group's managed portfolio and may enhance management concentration in core cities. At the same time, the relatively high proportion of revenue generated from projects developed by Xiamen Lianfa and its related parties indicates that stable service relationships with the relevant property developers and project customers are an important feature of Lianfa Property's business model. We have taken this concentration into account in our assessment of business sustainability and, having regard to Lianfa Property's established managed portfolio, geographic coverage and historical profitability, do not consider it to detract from the commercial rationale for the Acquisition.

The geographic spread of Lianfa Property's subsidiaries indicates that the Acquisition is not an acquisition of a single project or isolated local operation. It is an acquisition of an established operating platform with management teams, project-level service capabilities and regional subsidiaries across a number of major and provincial-capital cities. This operating footprint is relevant to our assessment

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

because the potential benefits of the Acquisition arise not only from the existing earnings of Lianfa Property but also from the ability to integrate a multi-city management platform into the Group's existing systems and regional network.

As Xiamen Lirong will acquire 100% of Lianfa Property, the Company will obtain full economic ownership and management control of the target group after completion rather than a minority interest. This enables the Group to consolidate Lianfa Property's results and align management and internal controls across the enlarged property management platform. We consider full ownership to be consistent with the objective of strengthening the Group's property service system.

1.5 Reasons for and benefits of the Acquisition

As disclosed in the Letter from the Board, the Company is of the view that the principal reasons for and benefits of the Acquisition are as follows:

- (a) through the acquisition of Lianfa Property, the Company will expand the gross floor area under management of its property management business, enhance its management concentration in core cities and increase economies of scale, which will help boost the revenue and profit scale of its property management business; and
- (b) the integration aims to further strengthen the Company's competitive advantages and sustainable development capabilities, accelerate the construction of a comprehensive property service system, and deliver more stable and sustained value returns to all Shareholders.

We note that the Acquisition is a one-off equity acquisition. However, the target business is closely related to the Group's principal business of property management and related services. In this respect, the Acquisition is different from an unrelated diversification. It represents an expansion and integration of the Group's existing business platform. We therefore consider that, from a business perspective, the Acquisition is commercially justifiable and aligned with the Group's development strategy.

The Group's scale benefits are particularly relevant in property management, where many central and regional functions can support a larger managed portfolio without increasing costs in direct proportion to GFA. Examples include procurement, finance, treasury, information systems, legal and compliance, training, branding and quality-control functions. To the extent that Lianfa Property can be integrated into these existing functions, the enlarged platform may improve resource utilisation and operating efficiency. We have not assumed or attributed any quantified synergy amount in assessing the consideration or the Valuation.

We have not attributed a separate monetary value to such potential synergies in reaching our opinion. Our assessment of the consideration is based principally on the independent Valuation Report and the historical financial information of Lianfa

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Property. The potential integration benefits are considered as part of the commercial rationale of the Acquisition and provide additional strategic support, rather than serving as a substitute for the valuation-based assessment of price.

(i) Overview of the overall PRC real estate market

In assessing the strategic rationale of the Acquisition, we have considered the latest available official data on the PRC real estate market. According to the National Bureau of Statistics of China, for the seven months ended 31 July 2026, national real estate development investment amounted to approximately RMB4,300.9 billion, representing a year-on-year decrease of 19.2%. Investment in residential buildings amounted to approximately RMB3,317.2 billion, representing a year-on-year decrease of 19.1%. During the same period, the floor space of newly built commercial buildings sold decreased by 11.8% year-on-year to approximately 450.21 million sq.m., while sales value decreased by 13.1% year-on-year to approximately RMB4,271.8 billion.

The same statistics show that newly started floor space decreased by 24.0% year-on-year and completed floor space decreased by 23.2% year-on-year for the seven months ended 31 July 2026. Real estate development enterprises also recorded a 20.3% year-on-year decrease in funds available for investment. Taken together, these indicators show that the PRC property development and primary sales market remained in an adjustment phase during 2026.

Property management businesses are not identical to property development businesses. Property management revenue is principally generated from the continuing management of completed and occupied residential and non-residential properties, and therefore depends to a material extent on the existing stock of properties, contract retention, service quality and fee collection rather than solely on new property sales. In our view, the slower pace of new development increases the importance of management of existing property stock, customer retention, operating efficiency and scale advantages for property management companies.

The Group's own operating results also demonstrate that property management activities have continued to expand notwithstanding the broader adjustment in the property development market. In particular, the Group's revenue from property management services for the six months ended 30 June 2026 increased by approximately 23.9% year-on-year, primarily driven by growth in GFA under management. This provides relevant support for our view that the Acquisition should be assessed by reference to the recurring service characteristics and operating scale of Lianfa Property, rather than solely by reference to short-term property development investment indicators.

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(ii) Overview of the real estate market in Fujian Province and the Group's core region

Lianfa Property is headquartered in Xiamen, Fujian Province, and both the Group and Lianfa Property have historically maintained significant operations in Fujian. We therefore also reviewed the latest official data published by the Fujian Provincial Bureau of Statistics. For the seven months ended 31 July 2020, real estate development investment in Fujian Province decreased by 26.1% year-on-year, including a 24.2% decrease in residential investment. The floor space of newly built commercial buildings sold decreased by 19.7% year-on-year and the corresponding sales value decreased by 14.3% year-on-year.

The Fujian data further show decreases in floor space under construction, newly started floor space and completed floor space of 20.7%, 29.3% and 39.8%, respectively, while funds available to real estate development enterprises decreased by 20.3%. These statistics indicate that Fujian's primary development market was also in a period of adjustment. Against this background, an established property management platform with existing projects, customers, staff and management infrastructure can provide an alternative avenue for scale expansion without relying solely on incremental new development.

We have reviewed the Company's listing document dated 28 December 2020 and noted that, as at 31 December 2017, both the Group and Lianfa Property operated in Xiamen, Zhangzhou and Quanzhou. As at 31 December 2018, 31 December 2019 and 30 June 2020, their overlapping operating locations also included Putian. These cities are situated in Fujian Province and formed an established part of the operating footprints of both businesses.

For the year ended 31 December 2019 and the six months ended 30 June 2020, the Group generated property management revenue of approximately RMB274.9 million and RMB156.0 million, respectively, from the overlapping cities, representing approximately 56.5% and 55.3% of its property management revenue for the respective periods. During the same periods, Lianfa Property generated revenue of approximately RMB193.1 million and RMB85.4 million, respectively, from those cities, representing approximately 43.7% and 40.9% of its total revenue. The percentages reflect the respective revenue bases disclosed in the listing document.

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The substantial historical revenue contribution from these cities demonstrates their importance to both businesses. In our view, the Acquisition is consistent with the Group's established geographical focus and provides an opportunity to increase management density in its core markets, share regional resources and improve operating efficiency. We consider these factors supportive of the commercial rationale for the Acquisition.

Official market indicators	PRC: Jan-Jul 2026	Fujian: Jan-Jul 2026
Real estate development investment (YoY)	-19.2%	-26.1%
New commercial building sales area (YoY)	-11.8%	-19.7%
New commercial building sales value (YoY)	-13.1%	-14.3%
Newly started floor space (YoY)	-24.0%	-29.3%
Funds available to developers (YoY)	-20.3%	-20.3%

Conclusion

Having considered the above market conditions together with the Group's continuing expansion in property management services and the reasons and benefits disclosed in the Circular, we are of the view that the Acquisition is in line with the Group's long-term development strategy and provides the Group with a good investment opportunity to enhance the long-term value of the Company. Accordingly, the Acquisition is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Principal terms of the Equity Transfer Agreement

We have reviewed the Equity Transfer Agreement dated 11 September 2026 and the principal terms disclosed in the Letter from the Board. The principal terms are summarised below using the wording and content of the Circular:

Item	Principal terms of the Equity Transfer Agreement
Date	11 September 2026 (after trading hours)
Parties	(a) Xiamen Lianfa, as vendor; and (b) Xiamen Lirong, as purchaser.
Subject matter	Pursuant to the Equity Transfer Agreement, Xiamen Lianfa agreed to sell, and Xiamen Lirong agreed to acquire, 100% equity interests in Lianfa Property in cash. Upon completion, Lianfa Property will become a wholly-owned subsidiary of Xiamen Lirong.
Consideration	RMB304.41 million (tax inclusive), which was determined based on arm's length negotiation between Xiamen Lianfa and Xiamen Lirong with reference to the appraised value of Lianfa Property based on the Valuation Report.
Payment arrangement	Within ten business days from the date on which the conditions precedent are satisfied (or duly waived by Xiamen Lirong) and completion of the transfer of the equity interests of Lianfa Property, Xiamen Lirong shall pay the first instalment of RMB254.41 million to Xiamen Lianfa. Subject to completion of the transfer, Xiamen Lirong shall pay the second instalment of RMB50.0 million to Xiamen Lianfa within ten business days from 30 June 2027.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER
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Item	Principal terms of the Equity Transfer Agreement
Conditions precedent	All necessary internal approvals, authorisations and corporate procedures having been obtained and completed; no law, regulation, rule or governmental order prohibiting, restricting or rendering unlawful the transaction; Xiamen Lianfa's representations and warranties remaining true, accurate and complete in all material respects as at completion; prior to completion, claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates being settled, recovered or repaid, and Lianfa Property entering into corresponding framework agreements with relevant connected persons in accordance with the Listing Rules; and no material adverse change in respect of Lianfa Property from the Benchmark Date to completion. Xiamen Lirong may, subject to applicable laws, waive in writing any condition other than those incapable of waiver.
Completion	Completion shall take place upon Xiamen Lirong being registered as the sole shareholder of the equity interests in Lianfa Property and upon completion of the relevant equity transfer procedures. Upon completion, Lianfa Property will become a wholly-owned subsidiary of Xiamen Lirong and an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the financial statements of the Company.
Other matters — transition-period profits and losses	Xiamen Lirong is entitled to or liable for all profits and losses of Lianfa Property during the period from the Benchmark Date to the completion date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Item	Principal terms of the Equity Transfer Agreement
Other matters — historical liabilities	During the period from the date of the Equity Transfer Agreement to 30 June 2027, if Xiamen Lirong is liable for any liabilities, losses and responsibilities as a result of Lianfa Property's violation of laws, regulations, breach of contract or infringement in respect of taxation, labour and personnel, social insurance, housing provident fund, project subcontracting, work safety, environmental protection, or accrued liabilities, contingent liabilities or undisclosed liabilities of Lianfa Property (other than those reflected in the financial statements) existing prior to completion, Xiamen Lirong is entitled to deduct the amount thereof from the second instalment of the consideration.

2.1 Conditions precedent and completion mechanics

Completion of the Acquisition is conditional upon the fulfilment or waiver of the conditions disclosed in the Circular, including (i) all necessary internal approvals, authorisations and corporate procedures required to be obtained by Xiamen Lianfa and Xiamen Lirong in connection with the Equity Transfer Agreement and the transactions contemplated thereunder having been duly obtained and completed; (ii) no law, regulation, rule or governmental order having been enacted, promulgated, implemented or adopted by any competent authority which prohibits, restricts or otherwise renders unlawful the consummation of the transactions contemplated under the Equity Transfer Agreement; (iii) the representations and warranties made by Xiamen Lianfa remaining true, accurate and complete in all material respects as at the completion date; (iv) prior to completion, claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates having been settled, recovered or repaid, and Lianfa Property having entered into corresponding framework agreements with relevant connected persons setting out the principal terms of the continuing connected transactions in accordance with the Listing Rules; and (v) there having been no material adverse change in respect of Lianfa Property during the period from the Benchmark Date to the completion date. Xiamen Lirong may, at its sole discretion and subject to applicable laws, waive in writing any of the above conditions other than those which are incapable of waiver under applicable laws.

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In our view, the above conditions precedent provide appropriate protection to Xiamen Lirong. In particular, the requirement to settle, recover or repay claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates before completion directly addresses the remaining related-party balances, while the requirement to put in place the relevant continuing connected transaction framework agreements provides an orderly basis for the continuation of necessary post-completion business relationships. Together with the continued accuracy of Xiamen Lianfa's representations and warranties and the absence of a material adverse change from the Benchmark Date to completion, we consider these conditions to reduce the risk of Xiamen Lirong being required to complete on a materially different commercial basis from that contemplated by the Equity Transfer Agreement.

Completion shall take place upon Xiamen Lirong being registered as the sole shareholder of the equity interests in Lianfa Property and upon completion of the relevant equity transfer procedures. We consider this completion mechanism to be clear and reasonable for the transfer of 100% equity interests in a PRC limited liability company.

As regards the valuation basis for the consideration, we consider the income approach inappropriate as the final valuation method in the present circumstances. Slower industry growth, pressure on property management fees and collection difficulties increase the uncertainty of long-term earnings and cash-flow forecasts on which that approach depends. We therefore consider the market approach more appropriate, for the reasons set out in section 4.4, "Selection of valuation methodologies", on page IFA-24.

2.2 Payment arrangement and deferred consideration

The consideration is payable in two instalments. Within ten business days from the date on which the conditions precedent are satisfied (or duly waived by Xiamen Lirong) and the completion of the transfer of the equity interests of Lianfa Property, Xiamen Lirong shall pay the first instalment of RMB254.41 million to Xiamen Lianfa. Subject to completion of the transfer of the equity interests of Lianfa Property, Xiamen Lirong shall pay the second instalment of RMB50.0 million to Xiamen Lianfa within ten business days from 30 June 2027.

During the period from the date of the Equity Transfer Agreement to 30 June 2027, Xiamen Lirong and/or Lianfa Property may deduct qualifying liabilities, losses and responsibilities from the second instalment of the consideration. The mechanism covers specified pre-completion tax, labour and personnel, social insurance, housing provident fund, subcontracting, work safety, environmental and other matters, including qualifying accrued, contingent or undisclosed liabilities not already reflected in the financial statements. The deductions are subject to the scope, determination and timing requirements set out in the agreement.

The second instalment of RMB50.0 million, payable within ten business days from 30 June 2027, represents approximately 16.43% of the total consideration. As this amount remains in the buyer's hands before payment, qualifying amounts can be deducted directly from the sum otherwise payable to the seller. This gives the buyer a practical means of obtaining recovery and reduces its reliance on seeking reimbursement after the consideration has been paid in full.

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We have considered the size of the retained amount against the disclosed claim by Xiamen Dazhen Motor Co., Ltd. The claim comprises principal and provisional interest of approximately RMB5.17 million, including principal of approximately RMB3.2069 million. The RMB50.0 million retained amount is approximately 9.67 times the disclosed principal and provisional interest. This comparison provides a measure of the substantial amount retained relative to that disclosed claim; the claim amount used in the comparison is not a determination of the eventual liability, including any further interest and costs.

Taking into account the proportion of consideration retained, its direct availability for qualifying deductions and its size relative to the disclosed claim, we consider the deduction mechanism to provide meaningful contractual protection in respect of the specified pre-completion matters within the scope and period stipulated in the agreement. Accordingly, we consider the deferred payment arrangement fair and reasonable so far as the Independent Shareholders are concerned.

2.3 Other matters and overall assessment of the principal terms

Xiamen Lirong is entitled to or liable for all profits and losses of Lianfa Property during the period from the Benchmark Date to completion. The consideration of RMB304.41 million was determined by reference to Lianfa Property's value as at 31 March 2026. Allocating both profits and losses from the same date to Xiamen Lirong aligns the economic interest being acquired with the date used to determine the price, while preserving the agreed consideration. This arrangement enables the buyer to receive the benefit of profits generated during the transition period as well as assuming the corresponding economic exposure.

Although Xiamen Lirong does not conduct Lianfa Property's day-to-day operations before completion, the Equity Transfer Agreement requires the business to be maintained in the ordinary course and restricts specified distributions, unusual transactions or borrowings, asset disposals and capital changes, subject to the contractual exceptions or the buyer's prior consent. Material adverse matters must be notified to the buyer, and specified new contracts potentially causing material harm require its consent. The conditions precedent also address material adverse changes and the continued accuracy of the seller's representations and warranties. These provisions give the buyer contractual protection over material changes to the business during the transition period.

We have also considered Lianfa Property's latest unaudited financial performance. Its net profit for January to August 2026 was approximately RMB22.4204 million, and its net profit for April to August 2026, being the period following the Benchmark Date, was approximately RMB27.4279 million. The financial performance for these periods and the related impairment analysis are discussed in section 3.1. The results therefore demonstrate a positive earnings contribution during the period following the Benchmark Date.

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Having considered the alignment of the pricing date and the commencement of the buyer's economic interest, the allocation of both profits and losses, the contractual restrictions on material changes before completion and the positive post-Benchmark Date earnings, we consider the transition-period arrangement fair and reasonable so far as the Independent Shareholders are concerned.

3. Financial information and operating performance of Lianfa Property

The Circular sets out certain consolidated financial information of Lianfa Property, including profit before taxation and profit after taxation for FY2024 and FY2025, and total assets and net assets as at 31 March 2026. The FY2024 and FY2025 results and the financial position as at 31 March 2026 are audited:

Unit: RMB	31 Mar 2026 (audited)
Total assets	909,558,432.94
Net assets	62,533,269.38

Unit: RMB	FY2024 (audited)	FY2025 (audited)
Profit before taxation	46,160,876.55	57,896,428.34
Profit after taxation	39,204,324.62	48,038,756.10

Note: The financial figures as at 31 March 2026 above are locally audited figures. The underlying PRC asset valuation report identifies RSM China CPA LLP, Xiamen Branch as the auditor and cites its audit report numbered Rong Cheng Shen Zi (2026) 361F2651. The 2026 interim management accounts presented below are unaudited.

For our additional analysis, we have reviewed the financial information in the Valuation Report and the unaudited consolidated management accounts for the six and eight months ended 30 June and 31 August 2026. The principal financial information is summarised below.

RMB million, except percentages	FY2024	FY2025	1H2026	8M2026
Revenue	756.91	814.37	402.73	539.95
Gross profit	85.58	103.27	42.70	64.61
Gross profit margin	11.31%	12.68%	10.60%	11.97%
Selling expenses	37.81	36.34	14.75	20.69
Operating profit	45.56	57.83	10.51	25.71
Operating profit margin	6.02%	7.10%	2.61%	4.76%
Profit before taxation	46.16	57.90	10.57	25.73
Net profit	39.20	48.04	10.70	22.42

FY2024 and FY2025 are based on audited financial information, while the 2026 management accounts are unaudited. The ratios are calculated using the underlying unrounded figures.

3.1 Revenue and profitability

Revenue increased from approximately RMB756.91 million in FY2024 to RMB814.37 million in FY2025, while gross profit margin increased from approximately 11.31% to 12.68%. First-half 2026 revenue represented approximately 49.45% of FY2025 revenue. First-half operating profit amounted to approximately RMB10.51 million, representing an operating margin of approximately 2.61%, compared with approximately 6.02% in FY2024 and 7.10% in FY2025.

The lower operating margin for the first half of 2026 principally reflected a higher credit impairment charge relative to revenue and a lower gross profit margin. Credit impairment charges amounted to approximately RMB17.52 million for the first half of 2026, compared with approximately RMB5.71 million and RMB11.26 million for FY2024 and FY2025, respectively. These charges represented approximately 4.35%, 0.75% and 1.38% of revenue for the respective periods. The Company explained that the credit impairment charge of approximately RMB17.52 million was recognised in Lianfa Property's audited results for the three months ended 31 March 2026, reflecting a more prudent review and assessment of the receivables by the auditor. The charge remained reflected in the results for the first half of 2026 and the eight months ended 31 August 2026, with no additional net charge or reversal recognised during April to August 2026. Cost of sales represented approximately 89.40% of first-half revenue, compared with 87.32% in FY2025, resulting in a gross profit margin of approximately 10.60% for the first half.

We have reconciled the change from the FY2025 operating margin of approximately 7.10% to the first-half 2026 margin of approximately 2.61%. The lower gross profit margin and higher credit impairment charge relative to revenue reduced the margin by approximately 2.08 and 2.97 percentage points, respectively. These effects were partly offset by an improvement of approximately 0.80 percentage points in the selling expense ratio, while other operating items had a net adverse effect of approximately 0.24 percentage points. The other items comprise taxes and surcharges, finance income or costs, other income and asset disposal results. This analysis compares the margins for the stated periods and identifies the financial movements underlying the decline.

The latest accounts show an improvement in July and August 2026. Revenue, gross profit and operating profit for those two months, calculated from the difference between the eight-month and first-half accounts, amounted to approximately RMB137.2185 million, RMB21.9067 million and RMB15.2008 million, respectively. The corresponding gross and operating margins were approximately 15.96% and 11.08%. The Company attributed this improvement to the absence of a further net credit impairment charge and to overall costs increasing more slowly than revenue. Consequently, the cumulative gross and operating margins improved to approximately 11.97% and 4.76%, respectively, for January to August 2026, with net profit reaching approximately RMB22.42 million.

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The cumulative net profit comprises a net loss of approximately RMB5.0075 million for January to March 2026 and net profit of approximately RMB27.4279 million for April to August 2026. The first-quarter results reflected the credit impairment provision discussed above, while the subsequent results show the improvement in performance.

The Company also explained that collection of older property fee arrears had reduced their proportion of the receivables balance, notwithstanding an increase in the total balance between March and August, and that some owners normally settle current-year fees near year-end. No additional net credit impairment charge or reversal was recognised during April to August 2026. The Management considers the allowance reflected in the August management accounts appropriate in light of the collection experience and its assessment of the receivables. The improvement reported above was therefore achieved while retaining the credit impairment charge already recognised, without recognising any gain from a possible future reversal.

Having considered the reconciliation of the operating-margin movements, the retention of the impairment charge in the latest results, the recovery in gross and operating margins during July and August and the positive cumulative earnings to August 2026, we consider that Lianfa Property continues to demonstrate an established earnings base. Although the eight-month operating margin remained below the FY2024 and FY2025 levels, the latest performance supports the earnings contribution and commercial rationale of the Acquisition. On this basis, the first-half margin decline does not alter our view that the terms of the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned.

3.2 Balance sheet position

According to the Circular, Lianfa Property had audited consolidated total assets and net assets of approximately RMB909.6 million and RMB62.5 million, respectively, as at 31 March 2026. Based on the Valuation Report, net assets attributable to the parent were approximately RMB244.8 million as at 31 December 2025 and consolidated liabilities were approximately RMB847.0 million as at 31 March 2026. Based on information provided by the Management, the decrease in net assets from 31 December 2025 to the Benchmark Date was principally attributable to a dividend distribution of approximately RMB177.25 million to the then shareholder, together with the operating result for the period. Taking these items into account, the movement from approximately RMB244.79 million as at 31 December 2025 to approximately RMB62.53 million as at 31 March 2026 is reconciled. Accordingly, we note that the substantial decrease in net assets was principally attributable to the dividend distribution rather than a corresponding deterioration in the underlying asset base.

The Management further advised that no cash dividends were paid by Lianfa Property in 2023, 2024 or 2025. In 2024, approximately RMB45.0 million of undistributed profits was capitalised into registered capital, which represented a reclassification within shareholders' equity rather than a cash distribution to the

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shareholder. Accordingly, the RMB177.25 million dividend distribution in 2026 was exceptional when compared with Lianfa Property's dividend practice during the preceding three years.

Based on our review of the final Valuation Report, we note that the RMB177.25 million dividend distribution had been fully reflected in Lianfa Property's financial position as at the Benchmark Date. In particular, the movement in retained earnings from approximately RMB187.54 million as at 31 December 2025 to approximately RMB5.28 million as at the Benchmark Date, after taking into account the operating result for the period, reconciles to approximately RMB177.25 million. Accordingly, the exceptional nature of the distribution does not affect our assessment of the fairness and reasonableness of the Consideration.

Trade receivables increased from approximately RMB150.1 million as at 31 December 2024 to approximately RMB213.7 million as at 31 December 2025 and further to approximately RMB267.5 million as at 31 March 2026. Other receivables amounted to approximately RMB583.4 million as at 31 March 2026. The Valuation Report includes an amount of approximately RMB484.6 million due from Lianfa Group as a non-operating asset. According to the Management, this balance comprised approximately RMB378.5 million of bank borrowing proceeds transferred to Lianfa Group under the group's financing arrangements and approximately RMB106.1 million of Lianfa Property's own funds centrally managed by Lianfa Group. The Valuer had advised that there was no indication as at the Benchmark Date that the amount was unrecoverable and, accordingly, no valuation adjustment was made to the book value of the receivable.

The Management further confirmed that the RMB378.5 million had subsequently been returned to Lianfa Property and that the corresponding bank borrowings had been fully repaid. As at 31 August 2026, the amount due from Lianfa Group had reduced to approximately RMB61.3 million. The latest Circular expressly provides, as a condition precedent to completion, that claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates shall be settled, recovered or repaid prior to completion. We consider the substantial subsequent settlement of the related-party balance, together with this express completion condition, to provide additional support for recoverability and appropriate contractual protection against the remaining related-party settlement risk.

The Valuation Report shows consolidated long-term borrowings of approximately RMB367.5 million as at 31 March 2026. The Valuer states that the balance was incurred to support financing of the parent, Xiamen Lianfa, and that the relevant principal and interest are paid by the parent. In response to our enquiry, the Valuer confirmed that the aggregate original bank borrowing amount was RMB378.5 million, of which approximately RMB11.0 million was classified as non-current liabilities due within one year and RMB367.5 million was classified as long-term borrowings. The RMB367.5 million and RMB378.5 million figures therefore relate to the same financing rather than separate borrowings.

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The Management confirmed that all of the RMB378.5 million bank borrowings had been fully repaid by 31 August 2026 and that Lianfa Property had no outstanding bank loans or other financing liabilities as at that date. The Management further confirmed that no lender consent to the change of control is required. The subsequent repayment does not alter the Valuer's treatment of the financing as at the Benchmark Date but removes the relevant bank financing exposure from Lianfa Property prior to completion.

The Valuer further confirmed that the RMB367.5 million long-term borrowing was treated as a non-operating liability because it arose from financing arrangements for Xiamen Lianfa and the relevant principal and interest are borne by Xiamen Lianfa. The amount has already been deducted as part of the non-operating liabilities in the valuation bridge; accordingly, a further separate deduction as interest-bearing debt would result in double counting. On this basis, we consider the treatment of the financing balance in the valuation bridge to be internally consistent.

3.3 Receivables and collection

Of the gross trade receivables outstanding as at 31 March 2026, approximately RMB143.0 million had been collected by 31 August 2026, leaving approximately RMB166.0 million outstanding. The Management also advised that, as at 31 August 2026, the current-period property management fee collection rate was approximately 68.4% and the collection rate in respect of prior-period arrears was approximately 25.3%. The larger outstanding customer balances principally included settlement receivables from related-party property developers in respect of matters such as vacancy property management fees, sales-office services, property management fee coupons and procurement-related items.

We have considered the subsequent collections of approximately RMB143.0 million from the Benchmark Date gross trade receivables, the nature of the material customer balances and the Management's explanation of the collection pattern. We have also considered the Company's explanation that collections of older arrears reduced their proportion of the receivables balance during April to August 2026. These matters have been assessed together with the recognised impairment allowance and the related financial analysis in section 3.1.

In our view, the recorded recoveries provide substantive support for the ongoing collection of the trade receivables, while the recognised impairment allowance reflects the credit risk assessed in the financial results. Having considered these factors together, we do not regard the disclosed trade receivables position as a matter that alters our assessment of Lianfa Property's underlying operations or our conclusion that the terms of the Acquisition are fair and reasonable so far as the Independent Shareholders are concerned.

4. Valuation and consideration analysis

4.1 Basis of determination of the consideration

As disclosed in the Letter from the Board, the consideration for the Acquisition is RMB304.41 million (tax inclusive), which was determined based on arm's length negotiation between Xiamen Lianfa and Xiamen Lirong with reference to the appraised value of Lianfa Property based on the Valuation Report. The Equity Transfer Agreement further provides that Xiamen Lirong is entitled to or liable for all profits and losses of Lianfa Property during the period from the Benchmark Date to the completion date.

The use of an independent valuation as the principal reference for determining consideration is consistent with the PRC state-owned assets transaction context and provides an objective value reference for the parties. We consider this to be an appropriate starting point for assessing fairness because the agreed consideration is equal to the final appraised market value rather than being determined solely by reference to book value or an internally generated forecast.

4.2 Summary of the Valuation Report

According to the Valuation Report, the Valuer assessed the market value of the entire shareholders' equity of Lianfa Property as at 31 March 2026. The valuation object is the entire shareholders' equity of Lianfa Property, and the valuation scope covers all assets and liabilities reported and audited as at the Benchmark Date. The valuation purpose is to provide a value reference for Xiamen Lianfa's proposed non-public agreement transfer of its 100% equity interest in Lianfa Property to Xiamen Lirong.

Item	Final Valuation Report
Valuer	United Zhonghe Land and Real Estate Asset Appraisal Co., Ltd.*
Report number/date	United Zhonghe Appraisal Report (2026) No. 5010/5 July 2026
Valuation object	Entire shareholders' equity of Lianfa Property
Valuation scope	All assets and liabilities of Lianfa Property as at 31 March 2026
Value type	Market value
Valuation benchmark date	31 March 2026
Market approach result	RMB304.41 million

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Item	Final Valuation Report
Final conclusion	Market approach result of RMB304.41 million
Validity period	From 31 March 2026 to 30 March 2027

The Valuation Report states that the audited book value of shareholders' equity of Lianfa Property on a standalone basis as at the Benchmark Date was approximately RMB57.2521 million, while the consolidated net assets attributable to the parent were approximately RMB62.5333 million. Under the market approach, the entire shareholders' equity was appraised at RMB304.41 million, representing an appreciation of approximately RMB247.1579 million or 431.70% over the standalone book value, and approximately RMB241.8767 million or 386.8% over the consolidated net assets attributable to the parent.

The Valuer adopted the market approach result of RMB304.41 million as the final valuation conclusion. The agreed consideration under the Equity Transfer Agreement is also RMB304.41 million. The direct alignment between the consideration and the independently appraised market value is an important factor in our assessment of the fairness and reasonableness of the consideration.

4.3 Valuer's qualifications and independence

In assessing the Valuation Report, we have considered the qualifications, experience and independence of United Zhonghe Land and Real Estate Asset Appraisal Co., Ltd.*, which issued United Zhonghe Appraisal Report (2026) No. 5010 dated 5 July 2026. The appendices to the report include the firm's business licence, its asset appraisal filing information with the Fujian provincial finance authorities and its institutional membership information with the China Appraisal Society, under membership number 35200042. The engagement concerns the valuation of the entire equity interest in an operating enterprise and includes assessment of both the business and its assets and liabilities.

The report was signed by Zhou Qingguo and Zhou Xin, whose asset appraiser membership numbers are 39000082 and 39210014, respectively. We have reviewed their updated practising membership certificates issued by the China Appraisal Society. Both certificates record that the signing appraisers passed the 2026 annual inspection and are valid until 30 April 2027.

We have also reviewed details of their relevant enterprise valuation experience. The assignments include the valuation of a 51% equity interest in a social services company in Xiamen, with a report dated 11 November 2025, and the valuation of the entire shareholders' equity of a new energy technology company in Jiangxi, with a report dated 12 September 2025. Zhou Qingguo acted as overall reviewer and Zhou Xin as signing appraiser for both assignments. These provide specific examples of their experience in assessing enterprise equity value and reviewing the related

valuation work. Having considered the updated professional certificates and the relevant engagement experience, we consider the signing appraisers to have appropriate qualifications and relevant experience for the enterprise valuation required for the Acquisition.

As recorded in our assessment, we have reviewed the engagement documentation, business licence, relevant registration or filing information, credentials of the signing appraisers, independence information and scope of work, and have discussed the valuation methods, principal assumptions, key parameters and basis for adopting the final valuation conclusion. The report states that the signing appraisers have no existing or prospective interest in the valuation subject and no personal interest relationship with the instructing parties or other relevant parties. The Board has also stated that it is satisfied with the Valuer's independence and competence. Having considered the foregoing and the scope of the enterprise valuation undertaken, we consider the Valuer's appointment appropriate for assessing the value of Lianfa Property in connection with the Acquisition.

4.4 Selection of valuation methodologies

The Valuer considered the income approach and the market approach and adopted the market approach in arriving at the final result of the Valuation. Under the market approach, enterprise value is determined by comparing Lianfa Property with comparable listed companies using observable market and financial information.

As summarised in Appendix I to the Circular, the income approach reflects enterprise value from the perspective of future earnings and is more susceptible to subjective assumption bias under the current market environment. The Valuer noted that the current property industry is undergoing material changes, including a shrinking incremental market, slower scale growth, pressure on profitability and property management fees, declining collection rates and collection difficulties. These factors increase the uncertainty inherent in forecasting future earnings under the income approach.

By contrast, the Valuer considered that the property management sector has a sufficient number of listed companies and relatively active equity transaction cases to support application of the market approach. The market approach directly draws on market data and reflects investors' collective assessment of industry risks, growth prospects and profitability. The Valuer therefore considered the market approach to provide a more objective and realistic reflection of the fair value of property management companies under current market conditions and adopted the market approach as the final valuation method.

We consider the market approach appropriate for Lianfa Property because it is an operating, asset-light property management business with an established revenue and earnings base. Its value derives substantially from its continuing service operations and earning capacity, which the book value of tangible assets alone would

not fully reflect. An earnings-based comparison also takes account of profitability, whereas a revenue multiple by itself would not distinguish the different margins achieved by property management operators.

The EV/EBITDA approach uses observable listed-company market information and reduces the effects of differences in financing structure, taxation and depreciation or amortisation. The separate treatment of surplus and non-operating assets and liabilities enables the valuation to address the target's particular financing and related-party balances. In addition, the industry conditions identified by the Valuer, including slower growth, pressure on property management fees and collection challenges, increase the sensitivity of a valuation based solely on long-term forecasts. We therefore consider it reasonable to give principal weight to market evidence, with company-specific adjustments to reflect the target's financial characteristics.

We have assessed the comparable selection, adjustment factors and earnings inputs described in section 4.5 and have performed the supplementary valuation checks described in section 4.6A. Having considered the nature of the business, the availability of relevant market information and those supplementary checks, we consider the adoption of the market approach as the final valuation method reasonable.

4.5 Market approach and EV/EBITDA analysis

As summarised in Appendix I to the Circular, the Valuer considered an earnings-based multiple appropriate because Lianfa Property operates in a light-asset industry with established earnings. Revenue-based multiples were considered less suitable because operating scale does not necessarily correspond with operating profitability and gross profit margins differ among enterprises. Asset-based multiples were also considered less comparable because Lianfa Property has a relatively large proportion of surplus and non-operating assets and liabilities. In addition, differences in capital structure, debt levels and financing costs can affect equity-based earnings indicators. To reduce these distortions, the Valuer adopted a total-investment basis and ultimately selected EBITDA as the core earnings indicator, constructing an EV/EBITDA model. In our view, EV/EBITDA is a reasonable comparative metric because it reduces the effect of differences in financing structure, depreciation and amortisation policies and applicable tax rates.

The Valuer's selection analysis began with the A-share property management universe. The general criteria included a listing history of more than two years and at least 24 months of operating in the same or a similar business. These criteria provide an established record of market prices and financial information for comparison. The initial list contained eight securities, including both the A and B securities of the same Huangting issuer. Companies subject to ST treatment, with continuing losses and materially different financial and delisting risks, were excluded to maintain comparability with an operating going concern.

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Among the remaining candidates, the Valuer identified EV/EBITDA multiples of approximately 18.8059 times for SDG Service and 26.9924 times for Zhongtian Service, compared with approximately 4.0370 to 7.0526 times for the three selected companies. The Valuer excluded those two higher-multiple observations and selected Nacity Property Service Group Co., Ltd.*, New DaZheng Property Group Co., Ltd.* and China Merchants Property Operation & Service Co., Ltd.* as the final comparables (the “**Comparables**”). We have considered the effect of this choice: excluding the two higher observations reduces the reference multiple before company-specific adjustments relative to retaining all five, which is a favourable feature from the buyer’s perspective. We also considered the broader A-share P/E reference, including both excluded companies, as discussed in section 4.6A.

Comparable company	Unadjusted EV/EBITDA	Adjustment coefficient	Adjusted EV/ EBITDA
Nacity Property Service Group Co., Ltd.*	4.9539x	0.6444	3.1923x
New DaZheng Property Group Co., Ltd.*	7.0526x	0.6170	4.3515x
China Merchants Property Operation & Service Co., Ltd.*	4.0370x	0.6236	2.5175x
Average adjusted multiple			3.3538x

Market approach item	Amount/multiple
Value multiple of Lianfa Property	3.3538x
Comparative parameter/average annual EBITDA	RMB55.8967 million
Total investment value of Lianfa Property	RMB187.4665 million
Less: interest-bearing debt	Nil
Add: net surplus/non-operating assets	RMB116.9470 million
Total shareholders’ equity value	RMB304.4135 million
Entire shareholders’ equity value (rounded)	RMB304.41 million
Book value of net assets (combined statements)	RMB62.5333 million
Appreciation rate	386.8%

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We have considered the Valuer's four groups of comparable adjustment factors, which were developed by reference to the Enterprise Performance Evaluation Standard Values 2025 for the property management industry. The profitability indicators comprise returns on equity and assets and operating profit margin. These relate earnings to the capital and revenue employed and are relevant to assessing differences in the earning capacity of property management businesses. The asset operation indicators comprise total asset, current asset and receivables turnover. These address the efficiency with which resources are used and service fees are converted into collections, which is particularly relevant to an asset-light business with substantial receivables.

The risk control indicators comprise gearing, the interest-bearing debt ratio and interest cover. These assess financial leverage and debt-servicing capacity at the Benchmark Date. The sustainable development indicators comprise profit growth, revenue growth and R&D expenditure intensity. Revenue and profit growth relate directly to the development of the service business. The Valuer considers R&D expenditure intensity to have a relatively limited influence on the value of a property management enterprise and retains it to preserve consistency with the published industry indicator framework. In our view, the four dimensions provide a structured means of considering earnings quality, collection efficiency, financial strength and development alongside the trading multiples.

The twelve indicators are assessed against the industry bands and combined using equal weighting. The Valuer explained that this approach maintains the published indicator framework and reduces reliance on discretionary weighting or selective omission of individual indicators. It gives each indicator the same contribution to the overall framework and avoids concentrating the adjustment on any one financial measure. We consider the consistent application of the framework to Lianfa Property and the Comparables a reasonable basis for the assessment.

The Valuer assigns scores of 1.00, 0.80, 0.60, 0.40, 0.20 and 0.00 to the six industry performance bands. For an indicator falling between two adjacent bands, the Valuer uses the arithmetic mean of their scores. For example, Lianfa Property's operating profit margin of 3.62% falls between the industry average of 5.5%, carrying a score of 0.60, and the lower benchmark of negative 2.5%, carrying a score of 0.40, and is assigned a score of 0.50. China Merchants Property's operating profit margin of 6.64% falls between the good benchmark of 8.6%, carrying a score of 0.80, and the industry average of 5.5%, carrying a score of 0.60, and is assigned a score of 0.70. This applies a common band-based scoring method to the target and the comparable companies.

The overall scores are 0.4832 for Lianfa Property and 0.7498, 0.7831 and 0.7748 for Nacity Property, New DaZheng and China Merchants Property, respectively. Dividing the target's score by each comparable's score gives adjustment coefficients of approximately 0.6444, 0.6170 and 0.6236, respectively. The resulting adjusted EV/EBITDA multiples are approximately 3.1923, 4.3515 and 2.5175 times, with an average of approximately 3.3538 times.

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The Valuer explained that the target's lower score principally reflects its weaker operating profit margin, current asset turnover, gearing, interest-bearing debt ratio and profit growth relative to the Comparables. The resulting coefficients reduce each comparable's multiple before application to the target's earnings. We consider that this provides a reasonable basis for recognising the target's less favourable financial characteristics within the valuation, rather than applying the unadjusted trading multiples directly. Having considered the relevance of the four dimensions, the common scoring framework and the effect of the resulting downward adjustments, we consider the use of these factors reasonable for the purposes of the market-approach assessment.

Having reviewed the explanations on pages I-6 and I-7 of Appendix I to the Circular, we consider the A-share selection reasonable for the Valuer's particular adjusted EV/EBITDA framework. Our work included reviewing the disclosed candidate list and selection criteria, the reasons for exclusions, the business and financial information of the selected companies, and the common adjustment framework; checking the arithmetic of the disclosed value multiples and valuation bridge; and considering the broader A-share and supplementary H-share P/E references in section 4.6A.

We have also reviewed published valuation practice and relevant appraisal principles. Our review indicates that the selection of comparables from a single trading market is an approach used in practice, where supported by the business characteristics and availability of comparable financial information. Having considered those factors, the Valuer's adjustment framework and our supplementary cross-checks, we consider the use of A-share comparables reasonable in the circumstances of this Valuation.

For this Valuation, Lianfa Property's PRC operations and membership of an A-share-listed group support the relevance of a domestic reference. The selected companies are in the same or similar business, and one trading market provides a consistent pricing context for the Valuer's common profitability, asset operation, financial risk and growth adjustments. We have considered the Valuer's explanation of disclosure and pricing differences between the markets; reproducing that model for Hong Kong peers would require assessment of data comparability and further adjustment assumptions. We therefore support this selection in its stated context, without concluding that Hong Kong peers are inherently unsuitable or cannot be analysed. We have included Hong Kong peers in the supplementary P/E comparison in section 4.6A.

The adjusted EV/EBITDA multiples of the three Comparables range from approximately 2.5175 to 4.3515 times, with an average of approximately 3.3538 times. The use of the average reduces reliance on any individual comparable. We have assessed the resulting value together with the supplementary checks in section 4.6A. Taking these analyses together, we consider the selected comparable framework to provide support for the reasonableness of the market-approach valuation.

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The adjusted equity market values of the Comparables were calculated by reference to the average closing prices over the 30 trading days prior to the Benchmark Date, with a liquidity discount of 30.66%. As summarised in Appendix I to the Circular, the Valuation adopted the unlisted company M&A P/E method to determine the liquidity discount, and the liquidity discount for the unlisted real estate industry as at the Benchmark Date was 30.66%. The Valuer further confirmed to us that the 30.66% discount was derived from the 2026 non-liquidity discount ratio table based on a comparison of price-to-earnings ratios in non-listed company merger and acquisition transactions and listed companies, using underlying data from property rights exchanges, Wind and CVSource. Having regard to the fact that the equity interest in Lianfa Property is not publicly traded and to the Valuer's stated empirical source, we consider the application of the 30.66% liquidity discount to be reasonably supported.

The Valuer applied an average adjusted EV/EBITDA multiple of approximately 3.3538 times to Lianfa Property's average annual EBITDA of approximately RMB55.8967 million, resulting in operating investment value of approximately RMB187.4665 million. The average EBITDA comprises approximately RMB47.0800 million for FY2024, RMB66.2113 million for FY2025 and RMB54.3990 million for the twelve months ended 31 March 2026, described in Appendix I as the 2026 simulated consolidated period.

The Valuer explained that the simulated consolidated period was compiled by adding the results for the three months ended 31 March 2026 to the FY2025 results and deducting the results for the three months ended 31 March 2025. It therefore represents the twelve-month period from 1 April 2025 to 31 March 2026. The operating profit and EBITDA on this basis are approximately RMB30.4398 million and RMB54.3990 million, respectively. This rolling-period calculation combines the underlying reported figures; the separate adjustments from operating profit to EBITDA are explained below.

The Valuer explained that the substantial credit impairment charge recognised in the first quarter of 2026 caused a significant fluctuation in Lianfa Property's reported quarterly results, and therefore used the latest twelve-month results instead of directly annualising that quarter. The Comparables' EBITDA was derived from their first-quarter 2026 financial information and annualised, as the Valuer had not identified comparable abnormal fluctuations in their quarterly results relative to prior years. For Lianfa Property, the average combines two historical full-year results and the latest twelve-month result. We consider this to be a reasonable means of reducing reliance on a single quarter's result and incorporating more recent performance, when assessed together with the earnings adjustments and reported profits discussed below.

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We have reviewed the earnings schedules in the valuation explanation. The Valuer's EBITDA calculation adjusts operating profit for finance costs or income, the specified impairment and other income items, and depreciation and amortisation. In particular, the target's calculation adds back credit impairment losses of approximately RMB5.7078 million, RMB11.2553 million and RMB28.7786 million for the respective periods stated above, and credit impairment is also added back in the peers' calculations. The valuation measure is therefore an adjusted earnings measure before those charges. We have considered it together with the reported profits after impairment and the receivables analysis in section 3, without treating the impairment charges as necessarily non-recurring.

Net surplus and non-operating assets of approximately RMB116.9470 million are added to the operating investment value to derive total equity value of approximately RMB304.4135 million, rounded to RMB304.41 million. The RMB367.5 million long-term borrowing has already been included in the non-operating liabilities and deducted in arriving at that net amount. Accordingly, a separate deduction for the same borrowing as interest-bearing debt would duplicate the liability, and the separate interest-bearing debt deduction shown in Appendix I is nil. No additional control premium was applied.

We consider the treatment of the borrowing in the reconciliation from operating investment value to equity value internally consistent. The financial-risk indicators used in the comparable adjustment framework assess the target's relative financial characteristics at the Benchmark Date, while the deduction of non-operating liabilities determines the net value attributable to its shareholders. These have different functions in the valuation. The target's lower score reduces the multiple applied to its earnings, and the non-operating borrowing is deducted once in the calculation of equity value. Having considered this treatment together with the subsequent repayment of the corresponding bank financing described in section 3.2, we consider the valuation reconciliation reasonable.

4.6 Comparison of consideration with valuation

The agreed consideration of RMB304.41 million is equal to the final market-approach valuation of RMB304.41 million and therefore represents neither a premium nor a discount to the adopted valuation.

The consideration represents an appreciation of approximately 431.70% over the standalone audited book value of shareholders' equity of RMB57.2521 million and approximately 386.8% over the consolidated net assets attributable to the parent of RMB62.5333 million. Such appreciation principally reflects the going-concern and earning capacity of the property management business and other intangible value captured by the market approach rather than merely the accounting book value of net assets.

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In our view, the alignment of the consideration with the independently appraised market-approach value is a significant factor supporting the fairness and reasonableness of the consideration. We have also considered the supplementary checks in section 4.6A, the treatment of non-operating assets and liabilities, the special matters disclosed by the Valuer and Lianfa Property's latest operating performance. Having regard to the above, we consider that determining the consideration at RMB304.41 million provides a reasonable and fair basis for the Acquisition so far as the Independent Shareholders are concerned.

4.6A Additional reasonableness checks

As an additional reasonableness check, we divided the consideration and adopted equity valuation of RMB304.41 million by Lianfa Property's audited FY2025 net profit of approximately RMB48.0388 million, giving an implied P/E multiple of approximately 6.34 times. Its audited FY2024 net profit of approximately RMB39.2043 million implies 7.76 times. The comparison below uses FY2025 earnings throughout.

We compared the target's FY2025 P/E with the five A-share candidates disclosed in Appendix I-5 and the 11 H-share companies identified below. All reference P/E ratios use equity values at the Benchmark Date (31 March 2026) divided by reported FY2025 profit attributable to shareholders. The A-share candidates were Nacity Property Service Group Co., Ltd.; New DaZheng Property Group Co., Ltd.; China Merchants Property Operation & Service Co., Ltd.; Shenzhen SDG Service Co., Ltd.; Zhongtian Service Co., Ltd. The H-share equity values apply the closing H-share price to all outstanding shares, excluding treasury shares, with the resulting amounts translated into RMB at the Benchmark Date exchange rate. This is a retrospective cross-check using published FY2025 financial information, including reports issued after the Benchmark Date. No annualisation or exceptional-item adjustments have been made.

The H-share group comprises PRC-incorporated issuers listed at 30 September 2026, all of which were also listed at the Benchmark Date, operating predominantly in the PRC and deriving over 50% of FY2025 revenue from property/facility management, related value-added services and fee-based commercial operation. The 11 H-share companies were Xi'an Kingfar Property Services Co., Ltd.; Financial Street Property Co., Limited; Roiserv Lifestyle Services Co., Ltd.; Suxin Joyful Life Services Co., Ltd.; Beijing Capital Jiaye Property Services Co., Limited; Dowell Service Group Co. Limited; Lushang Life Services Co., Ltd.; Hollwin Urban Operation Service Group Co., Ltd; Onowo Inc.; A-Living Smart City Services Co., Ltd.; Poly Property Services Co., Ltd. No size, ownership or P/E filter was applied. This defined group does not represent the entire Hong Kong-listed sector. Shenzhen SDG Service Co., Ltd. and Zhongtian Service Co., Ltd., which were excluded from the Valuer's final sample, are retained solely as additional references for this cross-check.

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The combined 16-company A-share and H-share P/E range is approximately 2.65–67.71 times, with a median of 9.60 times. The target's 6.34 times is within that range and below its median. Excluding the two additional A-share references, the remaining 14 companies have a combined range of 2.65–27.45 times and a median of 8.08 times; the same observation holds.

We consider this comparison supportive of the reasonableness of the consideration when assessed together with the principal adjusted EV/EBITDA valuation and the other factors in this letter. We have considered differences in trading markets, liquidity, capital structure, tax, non-operating balances and business characteristics, as well as the target's latest 2026 performance described in section 3.1. P/E provides a supplementary equity-level earnings reference; it does not reproduce the Valuer's company-specific adjustments, establish fairness on its own or measure a discount to intrinsic value.

We have further considered the buyer's entitlement to the post-Benchmark Date profits and the RMB50.0 million deferred instalment, representing approximately 16.43% of the consideration, which is available for qualifying deductions within the contractual scope and period described in sections 2.2 and 2.3. Having considered these contractual benefits together with the valuation analyses and the latest operating results, we consider the consideration fair and reasonable so far as the Independent Shareholders are concerned.

As a further reasonableness check, the Valuer provided sensitivity analysis showing that a 10% increase or decrease in the EV/EBITDA multiple or EBITDA would change the appraised equity value by approximately 6%; a 10% change in the 30.66% liquidity discount would change the appraised equity value by approximately 3%; and a 10% change in the net surplus/non-operating asset amount would change the appraised equity value by approximately 4%. The Valuer therefore identified the EV/EBITDA multiple and EBITDA as the more sensitive individual inputs, although the tested changes did not produce a disproportionate movement in the overall valuation. We consider this sensitivity analysis to provide additional support for assessing the robustness of the market approach conclusion.

The Valuation Report discloses a civil claim by Xiamen Dazhen Motor Co., Ltd. involving aggregate principal and provisional interest of approximately RMB5.17 million. The Valuer confirmed that the principal component was approximately RMB3.2069 million. According to the Management, the second hearing at first instance was completed in August 2026 and an initial mediation meeting was held on 27 August 2026, at which no settlement was reached. The Management advised that no provision had been recognised because the applicable recognition criteria had not been met and that it expected a limited effect on profit before taxation. The Valuer made no specific quantified adjustment for the claim in the Valuation.

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We have assessed the disclosed claim by reference to its size and the contractual protection available to the buyer. The principal and provisional interest of approximately RMB5.17 million represent approximately 1.70% of the consideration, while the RMB50.0 million deferred instalment is approximately 9.67 times that amount. The deferred payment mechanism permits qualifying losses in respect of specified pre-completion matters to be deducted from the amount retained by the buyer, subject to the contractual scope and timing requirements described in section 2.2.

Having considered the size of the disclosed claim relative to the consideration, the Management's assessment and the direct retention and deduction mechanism, we do not consider the disclosed litigation to undermine our assessment of the reasonableness of the consideration. Our conclusion is based on the financial exposure disclosed and the contractual protection described above, and does not depend solely on the absence of an accounting provision.

We further note that Lianfa Property holds a 6.6667% minority equity interest in Xiamen Lianfa Intelligent Technology Co., Ltd.* which is recorded as an other non-current financial asset. As the consolidated financial statements of that investee as at 31 March 2026 were not available to the Valuer, the investment was carried at approximately RMB4.6257 million. The Valuation Report cross-checked this amount against Lianfa Property's attributable share of the investee's consolidated net assets as at 31 December 2025, which produced approximately RMB4.6522 million, a difference of only approximately RMB0.0265 million. The Valuer further advised that Lianfa Property does not control or participate in the day-to-day management of the investee and that the 6.6667% interest is expected to be transferred at its carrying amount and is not intended to form part of the business acquired under the Acquisition. We consider the difference between the book value and the available net-asset cross-check immaterial relative to the final valuation of RMB304.41 million and do not consider the absence of 31 March 2026 consolidated financial statements of this minority investee to materially affect the Valuation or our conclusion on the Acquisition.

The Valuation Report states that its conclusions are based on financial analysis and do not separately incorporate legal, tax, regulatory or other commercial factors. We have therefore considered the contractual protection disclosed in the Circular together with the valuation analysis when assessing the Acquisition. In particular, the historical-liability deduction from the second instalment provides a separate contractual mechanism for the specified pre-completion risks that may crystallise after completion.

The Valuer confirmed that no post-Benchmark Date event occurred between 31 March 2026 and the date of the Valuation Report that would affect the valuation conclusion. The Management further advised that it had not identified any material adverse change in Lianfa Property since the Benchmark Date, including after taking into account the voluntary withdrawal from the Ezhou No. 1 Courtyard project for

operating efficiency considerations. On the information made available to us, we have not identified any subsequent event that would require us to alter our assessment of the Valuation.

4.7 Overall assessment of the Valuation

Having considered the Valuer's qualifications and independence, the selection of the market approach, the comparable company selection criteria, the EV/EBITDA adjustments, the 30.66% liquidity discount, the treatment of non-operating assets and liabilities, the special matters disclosed by the Valuer and the additional reasonableness checks set out above, we consider that the market-approach Valuation provides a reasonable and appropriate basis for determining the consideration for the Acquisition.

Our conclusion is based on our independent assessment of the valuation methodology, consideration, financial information and commercial rationale set out in this letter. Taken as a whole, we consider the valuation-based pricing mechanism and the agreed consideration to be fair and reasonable so far as the Independent Shareholders are concerned.

5. Financial effects of the Acquisition

5.1 Earnings effect

Upon completion, Lianfa Property will become an indirect wholly-owned subsidiary of the Company and its financial results will be consolidated into the Group's financial statements. It recorded audited net profit of approximately RMB39.20 million and RMB48.04 million in FY2024 and FY2025, respectively. Its unaudited revenue, operating profit, profit before taxation and net profit for January to August 2026 amounted to approximately RMB539.95 million, RMB25.71 million, RMB25.73 million and RMB22.42 million, respectively. The eight-month operating margin improved to approximately 4.76%, compared with 2.61% in the first half of 2026. Having considered the financial analysis in section 3.1, we regard the established earnings base and the improvement in the latest results as supportive of the potential contribution to the Group's earnings through additional management fee revenue, increased operating scale and potential efficiency gains.

The earnings contribution will depend on future service revenue, collection performance, customer retention, margin management and integration. Having regard to Lianfa Property's historical full-year profitability, the subsequent receivable collection evidence and the Group's existing management capabilities, we consider that the Acquisition has a reasonable commercial basis for enhancing the Group's longer-term earnings capacity. The precise timing of accounting consolidation and any transaction-related costs will be accounted for in accordance with the applicable accounting standards and do not alter our assessment of the commercial merits or fairness and reasonableness of the Acquisition.

5.2 Assets, liabilities and net assets effect

The Acquisition will increase the Group's assets and liabilities upon consolidation of Lianfa Property. According to the Circular, Lianfa Property had audited consolidated total assets of approximately RMB909.6 million and net assets of approximately RMB62.5 million as at 31 March 2026. Based on the additional financial information in the Valuation Report, consolidated liabilities were approximately RMB847.0 million. The actual purchase price allocation and any recognition of goodwill or identifiable intangible assets will be determined in accordance with the applicable accounting standards after completion.

Any goodwill and/or identifiable intangible assets arising from the Acquisition will be recognised, measured and subsequently assessed for impairment in accordance with the applicable accounting standards. Such accounting treatment does not affect our assessment of the fairness and reasonableness of the agreed consideration, which is based principally on the Valuation and the other factors set out in this letter.

5.3 Working capital and cash flow effect

The Acquisition will be settled in cash. The first instalment is RMB254.41 million and the second instalment is RMB50.0 million, payable within ten business days from 30 June 2027 subject to completion and the terms of the Equity Transfer Agreement. As at 31 December 2025, the Group had cash and cash equivalents of approximately RMB3,414.4 million. The aggregate consideration represented approximately 8.9% of that cash balance and the first instalment represented approximately 7.5%. The Group also continued to generate positive operating cash flow in the six months ended 30 June 2026. Having regard to the Group's financial scale, cash resources and the deferred payment structure, we consider that payment of the consideration is not expected, by itself, to place undue pressure on the Group's liquidity.

Lianfa Property has substantial trade and other receivables and liabilities. Following completion, the remaining balances will form part of the Group's consolidated working capital position. We note, however, that the Management confirmed that the RMB378.5 million bank borrowings had been fully repaid and that the amount due from Lianfa Group had reduced to approximately RMB61.3 million as at 31 August 2026. The latest Circular expressly requires, as a condition precedent to completion, settlement, recovery or repayment of claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates. This condition, together with the substantial subsequent settlement already achieved, materially reduces the related-party balance and financing exposure expected to remain at completion. Upon completion, Lianfa Property will become an indirect wholly-owned subsidiary of the Company and will be consolidated into the Group's financial reporting and internal control framework. Having considered these safeguards and

the Group's existing financial management framework, we do not consider the working-capital matters identified above to detract from the commercial rationale for, or the fairness and reasonableness of, the Acquisition.

6. Post-completion integration and internal control

Given that Lianfa Property will become an indirect wholly-owned subsidiary of the Company, post-completion integration will be relevant to the realisation of the reasons and benefits disclosed in the Circular. In particular, bringing Lianfa Property within the Group's listed-company financial reporting, internal control and compliance framework will be important in managing the enlarged operating platform and preserving appropriate oversight over the acquired business.

In our view, the integration process is directly linked to the commercial rationale of the Acquisition. The potential benefits include a larger managed portfolio, greater management concentration in core cities and economies of scale, as disclosed in the Circular. We have not assumed any specific synergy amount in forming our opinion. Rather, our assessment focuses on whether the transaction structure and the Group's existing governance framework provide a reasonable basis for integration after completion.

In assessing this aspect, we consider that the principal post-completion integration and control areas should include: (i) verifying completion deliverables and control over corporate records, licences, material contracts, accounting records, bank accounts and company seals; (ii) reviewing material receivables and other receivables, borrowings, guarantees, litigation, tax, labour and social insurance matters; (iii) aligning Lianfa Property's financial reporting, internal audit, procurement, contract management, risk control and compliance policies with the Group's policies; (iv) monitoring qualifying historical liabilities and maintaining appropriate records for any deduction from the second instalment in accordance with the Equity Transfer Agreement; (v) reviewing post-completion related-party transactions and continuing compliance with Chapter 14A of the Listing Rules where applicable; and (vi) reporting material integration and risk matters through the Group's established management, internal audit and Board reporting channels.

We consider that appropriate post-completion integration and internal control will be important to realising the expected scale benefits of the Acquisition while maintaining suitable financial and compliance controls over Lianfa Property after completion. The above considerations also support our view that the commercial benefits of the transaction should be assessed together with the practical safeguards available to the Group during the integration period.

7. Overall assessment

In forming our opinion, we have taken into account the following principal factors:

- (a) the Acquisition is closely related to the Group's principal business of property management services and is consistent with the Group's strategic direction;
- (b) Lianfa Property has an established property management platform, operating subsidiaries and a history of revenue and profit generation in FY2024 and FY2025. It also recorded unaudited net profit of approximately RMB22.42 million for January to August 2026, with improved gross and operating margins during July and August, which supports the earnings rationale for the Acquisition as assessed in section 3.1;
- (c) the Acquisition may expand the gross floor area under management, enhance management concentration in core cities and increase economies of scale, thereby supporting the revenue and profit scale of the Group's property management business and strengthening its competitive advantages and sustainable development capabilities;
- (d) the Equity Transfer Agreement includes conditions precedent requiring, among other things, settlement, recovery or repayment of related-party claims or indebtedness before completion, appropriate continuing connected transaction framework arrangements, allocation of all profits and losses from the Benchmark Date to completion, and a deferred payment/deduction mechanism for specified pre-completion liabilities, which together provide safeguards to Xiamen Lirong;
- (e) the agreed consideration of RMB304.41 million is equal to the final market-approach valuation, providing direct valuation support for the purchase price;
- (f) the deferred payment structure reduces immediate cash pressure and provides a practical reserve for certain pre-completion liabilities;
- (g) the Group had cash and cash equivalents of approximately RMB3,414.4 million as at 31 December 2025. The aggregate consideration of RMB304.41 million represents approximately 8.9% of that cash balance, while the first instalment of RMB254.41 million represents approximately 7.5%, suggesting that the Acquisition should be manageable from a liquidity perspective, subject to the Group's other working capital, dividend and capital expenditure requirements; and
- (h) the transaction is subject to Independent Shareholders' approval, which provides an important Listing Rules safeguard for Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In addition, we have taken into account the Management's confirmation that the RMB378.5 million bank borrowings had been fully repaid, the amount due from Lianfa Group had reduced materially to approximately RMB61.3 million as at 31 August 2026, and approximately RMB143.0 million of the gross trade receivables outstanding as at the Benchmark Date had been subsequently collected. The latest Circular further requires settlement, recovery or repayment of claims or indebtedness between Lianfa Property and Xiamen Lianfa and its associates before completion. We consider these subsequent developments and contractual safeguards to provide additional support in relation to the related-party settlement, financing and receivables position. We have also taken into account the scale of Lianfa Property's operating platform, comprising approximately 25.79 million sq.m. of GFA and 180 regular managed projects across 24 prefecture-level cities as at 31 March 2026.

On balance, having considered the foregoing factors, we consider that the Acquisition is commercially justifiable, is in line with the Group's long-term development strategy and provides the Group with a good investment opportunity to enhance the long-term value of the Company. We therefore consider the Acquisition to be in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

The Acquisition relates to property management, which is the principal business of the Group, and represents an expansion of the Group's existing property management operations rather than diversification into an unrelated business. Having regard to the nature of the target business and the reasons and benefits disclosed in the Circular, we consider that the transactions contemplated under the Equity Transfer Agreement are in the ordinary and usual course of business of the Group.

Having taken into consideration the factors and reasons stated above, we are of the opinion that the transactions contemplated under the Equity Transfer Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms or better, the terms of the Equity Transfer Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

- (a) the transactions contemplated under the Equity Transfer Agreement are in the ordinary and usual course of business of the Group;
- (b) the terms of the Equity Transfer Agreement are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned, and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole; and
- (c) the Independent Shareholders should vote in favour of the ordinary resolution to be proposed at the EGM to approve the Equity Transfer Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

For and on behalf of
Draco Capital Limited

Kevin Choi
Managing Director

Ivan Chan
Director

Mr. Kevin Choi and Mr. Ivan Chan are licensed persons under the SFO to carry out Type 6 (advising on corporate finance) regulated activity and are regarded as responsible officers of Draco Capital Limited. Mr. Kevin Choi and Mr. Ivan Chan have over 15 and 10 years of experience in the corporate finance industry, respectively.

* *For identification purpose only*

**SUMMARY OF THE ASSET VALUATION REPORT ON THE ENTIRE VALUE OF
SHAREHOLDERS' EQUITY OF LIANFA (GROUP) PROPERTY SERVICES
COMPANY LIMITED IN RELATION TO THE TRANSFER OF SHARES BY
XIAMEN LIANFA (GROUP) REAL ESTATE CO., LIMITED**

SOURCE OF INFORMATION RELIED UPON

In conducting the valuation, the Valuer has referenced and relied on the audited financial statement of Lianfa Property. Save for the above, the Valuation did not rely on the work of other institutions and experts.

SCOPE OF WORK PERFORMED BY THE VALUER AND LIMITATION

The scope of work performed by the Valuer included the following:

1. Clarification of valuation purpose, scope, base date; and preparation of asset declaration forms
2. On-site inspection of physical assets; review of financial records and contracts for non-physical assets and liabilities; collection of ownership documents; and investigation of historical operations and profitability
3. Market research; application of income approach and market approach models; and internal review

The Valuer noted the following limitations:

1. The Valuer relied on financial statements and asset schedules provided without independent verification
2. Asset ownership verification was based on general investigation only, without substantive verification
3. Consolidated financial statements of one of Lianfa Property's subsidiary, 廈門聯發智能科技股份有限公司, as at 31 March 2026 was unavailable, and this subsidiary's assets was stated at book value of RMB4,625,700
4. The Valuation did not consider commercial, legal, tax or regulatory factors.

SELECTION OF VALUATION METHOD

The Valuer considered the income approach and the market approach, and the market approach was adopted in arriving the final results of the Valuation.

The market approach determines enterprise value by comparing Lianfa Property with comparable listed companies. Listed companies in the property industry and equity transaction cases are relatively active, which provides a sufficient data foundation for the application of the market approach. The market approach directly draws on actual transaction data and can reflect the collective judgment of investors on the risks, growth prospects and profitability of the property industry, which has an intuitive appraisal process and highly persuasive appraisal results; and can more objectively and realistically reflect the fair value of property management companies under current market conditions.

In contrast, the income approach reflects enterprise value from the perspective of future earnings based on the principle of expected returns, and is more susceptible to subjective assumption biases under the current market environment. The current business environment of the property industry is undergoing profound changes with sharply shrunk incremental market. The property industry has moved away from the model of scale expansion driven by the rapid growth of the real estate sector and is now beset by multiple contradictions of slower growth in scale, pressure on profitability and intensified vicious competition; challenges such as pressure on property management fees, a continuous decline in collection rates, and difficulties in collection are becoming increasingly severe.

ASSUMPTION ADOPTED IN THE MARKET APPROACH VALUATION

General assumptions

- 1 Property rights of Lianfa Property are complete and legal, and they continue to operate in current status for their existing intended purposes.
- 2 Documents and materials provided by Xiamen Lirong, Xiamen Lianfa and Lianfa Property are true, valid and accurate.
- 3 No significant changes in the national macroeconomic policy and the social and economic environment in the region where the enterprise operates.
- 4 Tax policies, credit interest rates, exchange rate changes, etc. on which the business operation and asset appraisal are based, have not changed significantly enough to affect the appraisal conclusion.
- 5 The influence of natural forces and other force majeure factors, and the possible influence of special trading approaches, are not considered.
- 6 The impact of future auctions, sales and collaterals on asset appraisal prices, or the impact on asset appraisal prices of additional prices paid by special trading approaches when property rights change, or the factors that may affect the value of the assets due to the expenses and taxes for sale, are not considered.

- 7 Except for the known and disclosed matters, there are no other undeclared off-balance-sheet assets and liabilities, mortgage or guarantee matters, major litigation or post-period events, and Lianfa Property has legal rights to the assets included in the scope of appraisal.
- 8 All assets to be valued are already in the process of transaction, and the Valuer carries out a valuation based on the transaction conditions of the assets to be valued in a simulated market.
- 9 Both parties of the assets traded in the market or the assets to be traded in the market are in the same position and have opportunities and time to obtain sufficient market information so as to make reasonable judgment upon the function, usage and transaction price of assets.
- 10 Lianfa Property is in full compliance with all relevant laws and regulations, and will continue to operate in the foreseeable future.

Special assumptions

- 1 No material changes in social economic environment and policies of tax and tax rate of Lianfa Property in the future operating periods.
- 2 The management of Lianfa Property will act with due diligence in the future operating period and Lianfa Property will continue to operate under an operation and management model that is the same as that of the Benchmark Date.
- 3 Lianfa Property will operate in a stable and sustainable manner in terms of production methods, product structure, investment and development technology in the future.
- 4 No material adverse effects were caused by other unpredictable and force majeure factors.
- 5 Data of the selected peer listed companies are reliable and trustworthy.
- 6 Accounting policies adopted by Lianfa Property in the future are basically consistent with the accounting policies adopted in the preparation of the Valuation Report in material aspects.
- 7 Lianfa Property has a sufficient pool of talents and its manpower needs are basically met.
- 8 Contingent assets and contingent liabilities that might exist beyond the assessment declaration provided by Lianfa Property was not considered.
- 9 The value of each parameter involved in the Valuation excludes the effect of inflation.
- 10 The historical financial statements and financial statements as at the Benchmark Date of Lianfa Property as well as the financial reports and transaction data of the comparable companies are true and reliable.

- 11 Lease contracts in respect of Lianfa Property's production and operation premises will be renewed upon expiry.
- 12 Value of the assets included in the scope of valuation is reflected on the Benchmark Date under the condition that the current scale and current use are unchanged.
- 13 Policies with validity periods expiring on 31 December 2027 will cease to have effect upon expiry of their validity period.

VALUATION METHODOLOGY UNDER THE MARKET APPROACH

The principle underlying the market approach is the substitution principle, under which similar enterprises should have comparable values. The two commonly adopted approaches under the market approach are the listed company comparison method and the transaction case comparison method.

Under the listed company comparison method, listed companies in the same industry as the appraised enterprise with active stock trading are selected as comparable companies, and market values of Comparables were calculated. Second, value multiples of the subject asset group are selected ("**Value Multiples**"). Finally, the relationship between the market value of the comparable companies and the selected analytical parameters is calculated, which is referred to as the comparison parameters. This multiple is then applied to the corresponding analytical parameters of the appraised enterprise to derive its market value using the formula below.

Equity Value = (Value Multiple of Lianfa Property × Comparison Parameter of Lianfa Property – Interest-Bearing Debt) × (1 + Control Premium) + Net Value of Non-Operating/Surplus Assets – Minority Interests

Value Multiple of Lianfa Property = Comparable Company's Value Multiple × Adjustment Factor

SELECTION OF COMPARABLE LISTED COMPANIES

Lianfa Property is principally engaged in property management services and falls under the sector of "Real Estate — Real Estate Services — Property Management", and an exhaustive list of comparable listed companies were selected based on the following criteria:

- (i) listed companies under the "Real Estate — Real Estate Services — Property Management" sector on the A-share market;
- (ii) companies which have a listing and trading history of more than two years; and
- (iii) companies which have been engaged in the same or similar business operations for at least 24 months as at the Benchmark Date.

Based on the above mentioned criteria, eight listed companies (i.e. Nacity Property (603506.SH); ST Mingcheng (600136.SH); SDG Service (300917.SZ); *ST Wongtee B (200056.SZ); New DaZheng (002968.SZ); Zhongtian Service (002188.SZ); China Merchants Property (001914.SZ); and *ST Wongtee (000056.SZ)) were preliminarily selected as Lianfa Property's comparable companies.

Listed companies which were marked "ST" (Special Treatment) as at the Benchmark Date, bearing risk of delisting in the foreseeable future were then removed from the scope of comparable companies as they have sustained losses in recent years.

The key financial and market capitalisation indicators of Lianfa Property and the remaining companies are as follows:

in RMB millions

	As at 31 December 2025		For the year ended 31 December 2025		As at the Benchmark Date	
	Equity Attributable to Shareholders		Net Profit Attributable to Shareholders of			
	Total Asset	of the Parent Company	Revenue	the Parent Company	Market Capitalisation	PE Ratio
Nacity Property	2,648.66	1,190.88	1,862.29	99.25	2,317.18	23.35
SDG Service	2,185.03	1,195.53	2,972.34	123.87	5,416.45	43.73
New DaZheng	2,031.75	1,211.97	3,013.44	94.87	2,604.46	27.45
Zhongtian Service	610.17	354.31	401.81	32.08	2,171.97	67.71
China Merchants Property	20,071.59	10,724.32	19,273.21	654.58	10,273.77	15.7
Mean	5,509.44	2,935.40	5,504.62	200.93	4,556.76	35.59
Median	2,185.03	1,195.53	2,972.34	99.25	2,604.46	27.45
Mean (excluding SDG Service and Zhongtian Service)	8,250.67	4,375.72	8,049.65	282.90	5,065.13	22.16
Median (excluding SDG Service and Zhongtian Service)	2,648.66	1,211.97	3,013.44	99.25	2,604.46	23.35
Lianfa Property	1,070.93	244.79	814.37	48.04	N/A	N/A

SDG Service and Zhongtian Service's PE ratios as at the Benchmark Date were significantly higher, which reflects expectation of high growth from their respective shareholders. However, such expectation are not common amongst property management companies as their growth is usually correlated to the speed at which they expand areas under management and may be readily forecasted with moderate effort. The relative high market capitalization of these companies would distort the market approach's estimate of Lianfa Property's intrinsic value, resulting an upward biased valuation. Therefore, the Valuer is of the view that SDG Service and Zhongtian Service should not deemed as comparable to Lianfa Property and were also excluded to avoid non-recurring idiosyncratic factors that might disrupt the general homogeneity of comparable companies.

In conclusion, three companies, namely Nacity Property, New DaZheng and China Merchants Property, were selected as comparables (the “**Comparables**”). The Valuer is of the view that the selection of such comparable companies meets the criteria for comparable company selection and maximizes the conditions required by these criteria, and the selection represents an exhaustive list of all companies meeting such criteria.

Details of the Comparables are as follows:

1. Nacity Property Service Group Co., Ltd.* (南都物業服務集團股份有限公司) (“**Nacity Property**”), a joint stock company established in the PRC in 1994, is principally engaged in property management services.
2. New DaZheng Property Group Co., Ltd.* (新大正物業集團股份有限公司) (“**New DaZheng**”), a joint stock company established in the PRC in 1998, is principally engaged in traditional property management services and urban services.
3. China Merchants Property Operation & Service Co., Ltd.* (招商局積余產業運營服務股份有限公司) (“**China Merchants Property**”), a joint stock company established in the PRC in 1985, is principally engaged in property asset management and services.

Property management companies operating in the PRC and listed in Hong Kong are not sufficiently comparable for the purpose of this valuation due to the reasons set out below:

- (i) the Valuer is an asset appraisal institution which has filed with the competent PRC authority. As such, the Valuer is required to carry out the Valuation in accordance with the PRC Asset Appraisal Standards issued by the Ministry of Finance and the China Appraisal Society.

Under the relevant requirement under the PRC Asset Appraisal Practice Standard which is applicable to situations where the subject matter being appraised is a member of a listed company in the A-share market, comparable companies in the listed-company comparison method must be “listed companies trading normally on the open market”, and requires comparables to be “identical or comparable to the subject of the valuation in terms of the trading market”. Since Lianfa Property is a property management company with business operations solely conducted in the PRC and a group company of an A-share issuer, its market value should be measured against A-share companies.

China Appraisal Society’s guidance also states that when subject of the valuation is a domestic entity, comparables selected should be purely A-share companies because they are a fair reflection of such entity’s market value in the PRC; and the Valuer, being a member of the China Appraisal Society, is bound by its practice standards and guidance. Hence, it is the accepted industry convention to only consider A-share companies; and

- (ii) the Enterprise Value standard requires the Valuer to consider the sufficiency and reliability of the operational and financial data of comparable companies. The disclosure of A-share issuers and Hong Kong listed companies are different and certain specific indicators cannot be extracted from these companies on a consistent basis. Considering both A-share issuers and Hong Kong listed companies in the same valuation exercise would also lead to unreliability in the outcome due to systematic difference in market pricing. A-share issuers and Hong Kong listed companies differ materially in investor structure, liquidity, valuation system and regulatory environment, and the valuation multiples (e.g. P/E, EV/EBITDA) of property management companies listed in Hong Kong therefore tend to deviate systematically from those of their A-share counterparts. Including peers listed in Hong Kong would require each of these differences to be quantified and adjusted, and the adjustments themselves require substantial subjective judgement, which would in turn weaken the reliability of the valuation conclusion.

Accordingly, Hong Kong-listed property management companies have lower comparability for the purpose of this valuation, and that selecting comparable companies solely from A-share-listed peers is consistent with general market practice for similar transactions.

DETERMINATION OF VALUE MULTIPLES

1. As Lianfa Property operates in a light-asset industry with strong profitability and stable earnings, the earnings-based multiple is appropriate.
2. The revenue-based multiple primarily reflects the relationship between an enterprise's operating scale and its total-investment market value. However, operating scale is not always consistent with operating profitability, mainly due to differences in gross profit margins across enterprises. In addition, the operating scale and its accounting treatment vary among companies, making the revenue-based multiple unsuitable for the Valuation.
3. Lianfa Property has a relatively large proportion of surplus (non-operating) assets and liabilities, which differs significantly from the Comparables, resulting in poor comparability of the adjusted asset value multiples. Therefore, the asset-based multiple is not suitable for the Valuation.
4. Lianfa Property does not belong to a special industry, therefore the special-class multiple is not applicable for the Valuation.

Given that there are significant differences in capital structure (debt levels and financing costs) between Lianfa Property and the Comparables, equity-based indicators such as net profit would be interfered by the interest tax shield effect, undermining the horizontal comparability of profitability indicators. To eliminate the impact of capital structure differences, the Valuation adopts a total-investment basis indicator, primarily including earnings before interest and tax (EBIT), earnings before interest, tax, depreciation and amortisation (EBITDA), and net operating income after tax (NOIAT). This approach strips off the interference of financing structure differences on operating performance, ensuring consistency in the comparison basis. The Valuation ultimately selected EBITDA as the core earnings indicator and constructed an

EV/EBITDA valuation model. This indicator effectively avoids the distortion caused by different depreciation/amortisation policies and applicable tax rates, truly reflecting the asset operation efficiency of property management enterprises. Meanwhile, it achieves a matching alignment between enterprise value (EV) and total-investment basis earnings, fairly reflecting the core value of property management enterprises and complying with mainstream market pricing practices.

In summary, the Valuation adopts the earnings-based multiple (EV/EBITDA) to assess the total shareholders' equity value of Lianfa Property.

CALCULATION OF VALUE MULTIPLES

1. Value of the Comparables

Total-Investment Value of the Comparables = Adjusted Equity Value (After Liquidity Discount) + Debt Value – Surplus (Non-Operating) Asset/Liability Adjustments + Minority Interests

The adjusted equity market values of the Comparables as at the Benchmark Date are as follows:

	Nacity Property	New DaZheng	China Merchants Property
Fair market value of equity (RMB'0,000)	246,813.86	279,721.71	1,138,306.20
Liquidity discount	30.66%	30.66%	30.66%
Adjusted equity market value (RMB'0,000)	171,140.73	193,959.03	789,301.52

Notes:

1. Fair market value of equity (considering restricted share liquidity discount) was calculated based on the average closing price over the 30 trading days prior to the Benchmark Date.
2. The Valuation adopted the unlisted company M&A P/E method to determine the liquidity discount and the liquidity discount for the unlisted real estate industry as at the Benchmark Date was 30.66%.
3. The liquidity discount rate was derived from the “Comparison Table of Non-Listed Company M&A Price-to-Earnings Ratios and Listed Company Price-to-Earnings Ratios for the Calculation of Illiquidity Discount Ratios (2026)” (《非上市公司併購市盈率與上市公司市盈率比較計算非流動性折扣比率表(2026)》) compiled by Wind Information Co., Ltd. (“萬得信息技術股份有限公司”, a dominant financial data provider in the PRC), which states that the applicable liquidity discount for the real estate industry is 30.66%.

The surplus (non-operating) assets/liabilities of the Comparables are as follows:

	(RMB'0,000)		
	Nacity Property	New DaZheng	China Merchants Property
I. Non-operating assets			
Long-term equity investments	22,786.64	1,203.20	11,893.82
Construction in progress	1,610.44	411.38	—
Deferred tax assets	<u>613.70</u>	<u>768.75</u>	<u>7,479.34</u>
Total non-operating assets	<u>25,010.78</u>	<u>2,383.33</u>	<u>19,373.16</u>
II. Non-operating liabilities			
Deferred tax liabilities	885.49	503.57	72,993.41
Long-term payables	—	26.94	7,895.59
Estimated Liabilities	—	—	392.00
Deferred income	<u>—</u>	<u>669.00</u>	<u>60.20</u>
Total non-operating liabilities	<u>885.49</u>	<u>1,199.51</u>	<u>81,341.20</u>
III. Surplus assets			
Surplus assets (excess monetary funds)	<u>34,467.77</u>	<u>20,319.78</u>	<u>349,211.74</u>
Total surplus assets	<u>34,467.77</u>	<u>20,319.78</u>	<u>349,211.74</u>
Net non-operating assets/liabilities and surplus assets	<u>58,593.06</u>	<u>21,503.60</u>	<u>287,243.70</u>

Note: Surplus Assets = Cash Balance as at the Benchmark Date – Minimum Cash on Hand

The total-investment value of the Comparables is calculated as follows:

	(RMB'0,000)		
	Nacity Property	New DaZheng	China Merchants Property
Adjusted equity value	171,140.73	193,959.03	789,301.52
Add: Interest-bearing debt value	11,307.74	4,899.30	61,881.76
Less: Net non-operating assets/ liabilities and surplus assets	58,593.06	21,503.60	287,243.70
Add: Minority interests	<u>4,283.10</u>	<u>4,795.85</u>	<u>14,687.26</u>
Total-investment value (EV)	<u>128,138.51</u>	<u>182,150.59</u>	<u>578,626.84</u>

2. Determination of EBITDA

Based on the published financial data of the Comparables for January–March 2026, annualised EBITDA is calculated as follows:

(RMB'0,000)

	Nacity Property	New DaZheng	China Merchants Property
Operating profit	6,987.74	4,589.17	31,659.78
Add: Finance expense	114.15	81.36	(70.47)
Less: Asset impairment losses (new)	—	—	(59.95)
Less: Credit impairment losses (new)	(821.96)	(376.63)	(1,678.08)
Less: Net gain on fair value changes	1,918.51	(9.74)	—
Less: Net investment income	296.45	51.81	159.65
Less: Gain on disposal of assets	0.00	3.41	44.50
EBIT	5,708.89	5,001.68	33,123.19
Add: Depreciation and amortisation	757.66	1,455.15	2,709.70
Annualised EBITDA	25,866.20	25,827.33	143,331.56

EBITDA of Lianfa Property is calculated as follows:

(RMB'0,000)

	2024	2025	2026 (annualised and combined)
Operating profit	4,555.70	5,782.72	3,043.98
Add: Finance expense	(469.06)	(386.63)	(536.10)
Less: Asset impairment losses (new)	—	—	—
Less: Credit impairment losses (new)	(570.78)	(1,125.53)	(2,877.86)
Less: Net gain on fair value changes	—	—	—
Less: Net investment income	0.00	0.00	0.00
Less: Other income	152.55	133.61	145.04
Less: Gain on disposal of assets	(4.18)	0.21	0.51
EBIT	4,509.06	6,387.80	5,240.19
Add: Depreciation and amortisation	198.94	233.32	199.71
EBITDA (combined basis)	4,708.00	6,621.13	5,439.90
Average annual EBITDA		5,589.67	

3. Value Multiples of Comparables

	Nacity Property	New DaZheng	China Merchants Property
Total-investment value (EV)	128,138.51	182,150.59	578,626.84
EBITDA	25,866.20	25,827.33	143,331.56
EV/EBITDA	4.9539	7.0526	4.0370

ADJUSTMENT OF VALUE MULTIPLES

The adjustment factors are analysed from four aspects: profitability indicators, asset operation indicators, risk control indicators, and sustainable development indicators, which respectively quantify differences in earnings quality, asset operation efficiency, financial risk and growth capability, providing support for a reasonable adjustment of the value multiples.

After calculating the indicators and determining the adjustment coefficients, the adjusted value multiples are as follows:

Indicator	Nacity Property	New DaZheng	China Merchants Property
EV/EBITDA of the Comparables	4.9539	7.0526	4.0370
Score of the Comparables	0.7498	0.7831	0.7748
Score of Lianfa Property	0.4832	0.4832	0.4832
Adjustment coefficient	0.6444	0.6170	0.6236
Adjusted EV/EBITDA	3.1923	4.3515	2.5175
Average adjusted EV/EBITDA of Lianfa Property		3.3538	

The scores of Lianfa Property and the Comparables are calculated as follows:

- (a) Based on audited financial statement, the following financial indicators are calculated for each company:
- (I) Profitability indicators: return on net assets, operating income profit margin and return on total assets;
 - (II) Asset operation indicators: total asset turnover ratio, accounts receivable turnover ratio and current asset turnover ratio;
 - (III) Risk management indicators: asset-liability ratio, interest-bearing debt ratio and interest coverage ratio; and

(IV) Growth capacity indicators: R&D expenditure intensity, gross profit growth rate and total operating revenue growth rate.

- (b) The benchmark values for each indicator are determined based on the “Enterprise Performance Evaluation Standard Values 2025” (《企業績效評價標準值2025》) published by the Performance Assessment Bureau of the State-owned Assets Supervision and Administration Commission, specifically the evaluation indicator system for the property management industry, which sets out the benchmark values for each indicator. Scores are then assigned to each indicator benchmark based on their categorization of excellent (1), good (0.8), average (0.6), below average (0.4), poor (0.2) and inferior (0).

The scores of the underlying indicators for Lianfa Property and the Comparables are set out below:

Type of Indicator	Indicator	Lianfa Property	Nacity Property	New DaZheng	China Merchants Property
Profitability indicators	Return on net assets	1	1	1	0.9
	Operating income profit margin	0.5	1	0.6	0.7
	Return on total assets	1	1	1	1
Asset operation indicators	Total asset turnover ratio	0.6	0.6	0.9	0.7
	Accounts receivable turnover ratio	0.4	0.3	0.4	0.6
	Current asset turnover ratio	0.6	0.7	1	0.9
Risk management indicators	Asset-liability ratio	0	0.9	1	1
	Interest-bearing debt ratio	0.6	1	1	1
	Interest coverage ratio	0.7	1	1	1
Growth capacity indicators	R&D expenditure intensity	0	0.2	0	0.2
	Gross profit growth rate	0	1	1	1
	Total operating revenue growth rate	0.4	0.3	0.5	0.3

- (c) The actual value of each indicator for Lianfa Property and the comparable companies is compared against the benchmark values to determine an individual score for each indicator.

The “adjustment coefficient” for each Comparable is calculated by dividing the “score of Lianfa Property” by the score of the corresponding Comparable.

OPERATING ASSET VALUE OF LIANFA PROPERTY

Financial data of Lianfa Property as at the Benchmark Date must be adjusted to a mutually comparable basis. Such adjustments primarily include surplus assets, non-operating assets, interest-bearing debt, non-operating liabilities and minority interests.

1. Lianfa Property had no interest bearing debt as at the Benchmark Date.

2. Net surplus (non-operating) assets

(RMB'0,000)

Item	Book Value	Appraised Value
I. Surplus assets		
Surplus assets (excess monetary funds)	—	—
II. Non-operating assets		
Other receivables — Lianfa Group Co., Ltd.	48,459.82	48,459.82
Other receivables — Liuzhou Lianfa Real Estate Co., Ltd.* (柳州聯發置業有限公司)	25.82	25.82
Other non-current financial assets — Xiamen Lianfa Intelligent Technology Co., Ltd.* (廈門聯發智能科技股份有限公司)	462.57	462.57
Deferred tax assets	846.11	846.11
Subtotal of non-operating assets	49,794.32	49,794.32
III. Non-operating liabilities		
Other payables — Lianfa Group Wuhan Real Estate Development Co., Ltd.* (聯發集團武漢房地產開發有限公司)	62.25	62.25
Other payables — Wuhan Lianqi Real Estate Development Co., Ltd.* (武漢聯齊房地產開發有限公司)	18.98	18.98
Other payables — Zhangzhou Zhanglong Minxinan Park Development Co., Ltd.* (漳州漳龍閩西南園區開發有限公司)	0.02	0.02
Other payables — Nanning Liantai Real Estate Development Co., Ltd.* (南寧聯泰房地產開發有限公司)	0.76	0.76
Other payables — Nanning Lianfa Shengshi Real Estate Co., Ltd.* (南寧聯發盛世置業有限公司)	10.67	10.67
Other payables — Nanchang Lianfa Real Estate Co., Ltd.* (南昌聯發置業有限公司)	2.98	2.98
Other payables — Wuhan Lianruifa Real Estate Development Co., Ltd.* (武漢聯瑞發房地產開發有限公司)	1.05	1.05
Other payables — Shenzhen Lianyue Real Estate Development Co., Ltd.* (深圳聯粵房地產開發有限公司)	113.16	113.16
Non-current liabilities due within one year	1,139.75	1,139.75
Long-term borrowings	36,750.00	36,750.00
Subtotal of non-operating liabilities	38,099.62	38,099.62
IV. Net surplus (non-operating) assets/liabilities	11,694.70	11,694.70

Note: Non-operating assets and liabilities are non-trade nature.

3. As the subject of the Valuation is the entire shareholders' equity of Lianfa Property, it does not involve a change of control. Therefore, no control premium is considered.
4. Non-controlling interest of Lianfa Property = Entire shareholders' equity of Lianfa Property (combined basis) $\times$ (Non-controlling interests/Total owners' equity)

VALUATION CONCLUSION

The entire shareholders' equity of Lianfa Property on a combined basis is derived as follows:

<i>(RMB'0,000)</i>	
Item	Appraised value based on EV/ EBITDA
Value multiple of Lianfa Property	3.3538
Comparative parameter of Lianfa Property	5,589.67
Total investment value of Lianfa Property	18,746.65
Less: interest-bearing debt Lianfa Property	0.00
Add: Net surplus (non-operating) assets	11,694.70
Total shareholders' equity value of Lianfa Property (combined basis) (rounded to '0,000)	30,441.00
Non-controlling interests of Lianfa Property	0.00
Entire shareholders' equity of Lianfa Property (rounded to '0,000)	30,441.00
Book value of net assets (combined statements)	6,253.33
Increase in appraised value	24,187.67
Appreciation rate	386.8%

Note: The "comparative parameter of Lianfa Property" refers to its EBITDA, which is calculated as a three-year average based on its audited financial statements, as set out on page I-10.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

(i) Long positions in shares and underlying shares of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required (i) 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 they have taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered in the register of members of the Company; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long Positions in the Shares

Name of Director	Capacity/Nature of interest	Number of issued Shares/ underlying Shares held	Approximate percentage of interest in the Company (Note 1)
Mr. Lin Weiguo	Beneficial owner	1,979,958	0.14%
Ms. Qiao Haixia	Beneficiary of a trust (other than a discretionary interest)	360,000 (Note 2)	0.03%
	Beneficial owner	1,261,979	0.09%
Mr. Huang Danghui	Beneficiary of a trust (other than a discretionary interest)	360,000 (Note 2)	0.03%
	Beneficial owner	900,022	0.06%
Mr. Xu Yixuan	Beneficial owner	1,979,958	0.14%
Mr. Tian Meitan	Beneficial owner	660,022	0.05%

Notes:

1. The percentage of shareholding was calculated based on the Company's total number of 1,408,264,016 Shares in issue as at the Latest Practicable Date.
2. Shares were allotted and issued to the trustee under the 2023 restricted share incentive scheme (the "Incentive Scheme"), who held the Shares on behalf of the incentive recipients of the Incentive Scheme. Being the incentive recipients of the Incentive Scheme, each of Ms. Qiao Haixia and Mr. Huang Danghui is interested in 360,000 Shares and 360,000 Shares held on trust by the trustee, respectively, which are subject to vesting.

Long positions in the shares of the Company's associated corporations

Name of Director	Name of the Company's associated corporation	Capacity/Nature of interest	Number of issued shares/ underlying shares held	Approximate percentage of shareholding in issued share capital (Note 1)
Mr. Lin Weiguo	CDI	Beneficial owner	1,337,459	0.06%
	CDI	Beneficiary of a trust (other than a discretionary interest)	225,000 (Note 2)	0.01%
Ms. Qiao Haixia	CDI	Beneficial owner	42,729	0.00%
Mr. Xu Yixuan	CDI	Beneficiary of a trust (other than a discretionary interest)	204,000 (Note 2)	0.01%
	CDI	Beneficial owner	1,563,000	0.07%
Mr. Tian Meitan	CDI	Interest of spouse	253,000	0.01%
	CDI	Beneficiary of a trust (other than a discretionary interest)	204,000	0.01%
	CDI			

Notes:

1. The percentage of shareholding was calculated based on CDI's total number of 2,315,932,646 ordinary shares in issue as at the Latest Practicable Date.
2. Ordinary shares of CDI were allotted and issued to the trustee of the 2022 restricted share incentive scheme of CDI (the "CDI 2022 Incentive Scheme") and the 2023 restricted share incentive scheme of CDI (the "CDI 2023 Incentive Scheme"), who held ordinary shares of CDI on behalf of the incentive recipients of the schemes. Being the incentive recipients of the CDI 2022 Incentive Scheme, each of Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Xu Yixuan is interested in 180,000, 159,000 and 159,000 ordinary shares of CDI held on trust by the trustee under the CDI 2022 Incentive Scheme, respectively, which are subject to vesting. Being the incentive recipients of the CDI Incentive Scheme, each of Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Xu Yixuan is interested in 45,000, 45,000 and 45,000 ordinary shares of CDI held on trust by the trustee under the CDI 2023 Incentive Scheme, respectively, which are subject to vesting.

(ii) Directors' positions in substantial Shareholders

As at the Latest Practicable Date, the following Directors were in the employment of those companies which had interests or short positions in the Shares or underlying Shares of the Company which are required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of Shareholder	Position held
Mr. Lin Weiguo	Xiamen C&D	Member of the party committee
	C&D Real Estate	Chairman, Director and secretary of the party committee
Ms. Qiao Haixia	CDI	Chairman of the board and executive director
	C&D Real Estate	Member of the party committee
Mr. Xu Yixuan	CDI	Executive director
	C&D Real Estate	Deputy general manager
Mr. Tian Meitan	C&D Real Estate	Director, general manager and vice secretary of the party committee
	CDI	Executive director and Chief Executive Officer

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company:

- (a) was a director or employee of a company which had an interest or short position 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;
- (b) had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO), which were required (i) 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 they have taken or were deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered in the register of members of the Company; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

3. 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 which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. EXPERTS' QUALIFICATION AND CONSENT

The following is the qualification of the experts who has given opinions or advice which is contained in this circular:

Name	Qualification
Draco Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
United Zhonghe Land and Real Estate Asset Appraisal Co., Ltd.* (聯合中和土地房地產資產評估有限公司)	independent valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with its letter included or references to its name in the form and context in which it is included.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts had no direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2025 (the date to which the latest published audited combined financial statements of the Company were made up) or proposed to be acquired, disposed of or leased to any member of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

7. 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 close associates had any interest in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

8. GENERAL

- (a) The company secretary of the Company is Mr. Yau Tsz Lun. Mr. Yau is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute.
- (b) The registered office of the Company is at Vistra (BVI) Limited, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, BVI.
- (c) The principal place of business in Hong Kong of the Company is at Room 3517, 35th Floor, Wu Chung House, 213 Queen's Road East, Wan Chai, Hong Kong.
- (d) The address of the Company's branch share registrar and transfer office in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS ON DISPLAY

A copy of the Equity Transfer Agreement will be available on display on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.cndservice.com) from the date of this circular up to 14 days (inclusive) thereafter.

NOTICE OF EXTRAORDINARY GENERAL MEETING

C&D Property Management Group Co., Ltd

建發物業管理集團有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock Code: 2156)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of C&D Property Management Group Co., Ltd (the “**Company**”) will be held at Room 3517, 35th Floor, Wu Chung House, 213 Queen’s Road East, Wanchai, Hong Kong on Friday, 30 October 2026 at 10:00 a.m., to consider, if thought fit, transact the following resolution of the Company by way of ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (1) (a) the equity transfer agreement dated 11 September 2026 entered into between Xiamen Lirong Investment Management Co., Ltd.* (廈門利融投資管理有限公司) (“**Xiamen Lirong**”) and Xiamen Lianfa (Group) Real Estate Co., Limited* (廈門聯發(集團)房地產有限公司) (“**Xiamen Lianfa**”) (the “**Equity Transfer Agreement**”), pursuant to which Xiamen Lianfa agreed to sell and Xiamen Lirong agreed to purchase 100% equity interests in Lianfa (Group) Property Services Company Limited* (廈門聯發(集團)物業服務有限公司) (a copy of which has been produced to the Meeting and initialed by the chairman of the Meeting for identification purpose), the transactions contemplated thereunder and all other transactions in connection therewith and any other ancillary documents, be and are hereby confirmed, approved and ratified, subject to such addition or amendment as any Director(s) may consider necessary, desirable or appropriate; and
- (b) any director(s) of the Company be and are hereby authorised for and on behalf of the Company to, amongst others, sign, execute and deliver or to authorise the signing, execution and delivery of all such documents and deeds, to do or authorise doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Equity Transfer Agreement and any ancillary documentation and transactions thereof.”

Yours faithfully,

By Order of the Board

C&D Property Management Group Co., Ltd

Qiao Haixia

Chairperson and Executive Director

Hong Kong, 12 October 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:
Vistra (BVI) Limited
Vistra Corporate
Services Centre
Wickhams Cay II
Road Town
Tortola
British Virgin Islands
VG 1110

Principal place of business in Hong Kong:
Room 3517, 35th Floor
Wu Chung House
213 Queen's Road East
Wanchai, Hong Kong

Notes:

1. A shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote in his/her stead. A Shareholder who is the holder of two or more shares in the Company (the “**Shares**”) may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a Shareholder.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorized, and must be deposited with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting (or any adjournment thereof).
4. The register of members of the Company will be closed from Tuesday, 27 October 2026 to Friday, 30 October 2026 (both days inclusive), during which period no transfer of the Shares will be effected. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Friday, 30 October 2026. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar and transfer office at the above address for registration by no later than 4:30 p.m. on Monday, 26 October 2026.
5. Delivery of an instrument appointing a proxy should not preclude a Shareholder from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The Company reminds all Shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the Meeting as their proxy to vote on the relevant resolution(s) at the Meeting instead of attending the Meeting in person, by completing and return the form of proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. If any Shareholder chooses not to attend the Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the head office and principal place of business in Hong Kong of the Company or by fax at (852) 2525 7890. If any Shareholder has any question relating to the Meeting, please contact Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office as follows:

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong
Email: is-enquiries@vistra.com
Tel: (852) 2980 1333
Fax: (852) 2810 8185

As at the date of this notice, the executive directors of the Company are Ms. Qiao Haixia (Chairperson) and Mr. Huang Danghui (Chief Executive Officer); the non-executive directors of the Company are Mr. Lin Weiguo, Mr. Tian Meitan and Mr. Xu Yixuan; and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin Dannis, Mr. Li Kwok Tai James and Mr. Wu Yat Wai.

This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.