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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Binjiang Service Group Co. Ltd., you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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### 濱江服務

BINJIANG SERVICE

**Binjiang Service Group Co. Ltd.**

**濱江服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3316)

## CONTINUING CONNECTED TRANSACTIONS RENEWAL OF AGREEMENTS DUE TO EXPIRE IN 2021 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



**Optima Capital Limited**

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Capitalised terms used in this cover shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 5 to 17 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter from Optima Capital, containing advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 33 of this circular.

A notice convening the EGM to be held at the Main Conference Room, Block 6, 36 Qingchun Road East, Shangcheng District, Hangzhou, the PRC on Tuesday, February 22, 2022 at 3:30 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form for use at the EGM is enclosed with this circular. Such proxy form is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.hzbjwy.com>). Whether or not you are able to attend the EGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the completed proxy form to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM (i.e. not later than 3:30 p.m. on Sunday, February 20, 2022) or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

January 28, 2022

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## DEFINITIONS

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

“2022 Master Pre-delivery Management Services Agreement”	the master pre-delivery management services agreement entered into between the Company and Binjiang Real Estate dated December 16, 2021
“2022 Property Management Services Agreement”	the property management services agreement entered into between the Company and Binjiang Real Estate dated December 16, 2021
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Binjiang Holdings”	Hangzhou Binjiang Investment Holdings Co., Ltd.* (杭州濱江投資控股有限公司), a limited liability company established in the PRC on October 8, 2006. It is owned as to 64% by Mr. Qi, 18% by Mr. Mo and 18% by Mr. Zhu Huiming. Given Binjiang Holdings is controlled by Mr. Qi, one of the controlling Shareholders, Binjiang Holdings is therefore a connected person of the Company
“Binjiang Real Estate”	Hangzhou Binjiang Real Estate Group Co., Ltd.* (杭州濱江房產集團股份有限公司), a limited liability company established in the PRC on August 22, 1996, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002244). As at the Latest Practicable Date, Binjiang Real Estate was owned as to approximately (i) 45.41% by Binjiang Holdings; (ii) 11.94% by Mr. Qi; (iii) 3.22% by Mr. Mo; (iv) 3.22% by Mr. Zhu Huiming; and (v) 1.00% by Mr. Qi Jiaqi (戚加奇), the son of Mr. Qi. Given Binjiang Real Estate is controlled by Mr. Qi, one of the controlling Shareholders, it is therefore a connected person of the Company
“Binjiang Real Estate Group”	Binjiang Real Estate and its subsidiaries
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan

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## DEFINITIONS

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“Company”	Binjiang Service Group Co. Ltd. (濱江服務集團有限公司), a company incorporated in the Cayman Islands with limited liability on July 6, 2017, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3316)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the forthcoming extraordinary general meeting of the Company to be held and convened at the Main Conference Room, Block 6, 36 Qingchun Road East, Shangcheng District, Hangzhou, the PRC on Tuesday, February 22, 2022 at 3:30 p.m. or any adjournment thereof to consider and, if thought fit, approve the Non-exempt CCT Agreements and the transactions respectively contemplated thereunder
“Existing Master Pre-delivery Management Services Agreement”	the master pre-delivery management services agreement entered into between the Company and Binjiang Real Estate dated October 30, 2020
“Existing Property Management Services Agreement”	the property management services agreement entered into between the Company and Binjiang Real Estate dated October 30, 2020
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the transactions under the Non-exempt CCT Agreements

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## DEFINITIONS

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“Independent Shareholders”	Shareholders who do not have a material interest in the Non-exempt CCT Agreements
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Latest Practicable Date”	January 26, 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	the Model Code of Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Mo”	Mr. Mo Jianhua (莫建華), a non-executive Director and one of the substantial Shareholders
“Mr. Qi”	Mr. Qi Jinxing (戚金興), one of the controlling Shareholders
“Mr. Zhu Huiming”	Mr. Zhu Huiming (朱慧明), one of the substantial Shareholders
“Non-exempt CCT Agreements”	being the (i) 2022 Master Pre-delivery Management Services Agreement; and (ii) 2022 Property Management Services Agreement

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## DEFINITIONS

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“Optima Capital”	Optima Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Non-exempt CCT Agreements
“Prospectus”	the prospectus of the Company dated February 28, 2019
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company with nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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LETTER FROM THE BOARD

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濱江服務

BINJIANG SERVICE

**Binjiang Service Group Co. Ltd.**

濱江服務集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3316)

*Executive Directors:*

Mr. Zhu Lidong

Ms. Zhong Ruoqin

*Non-executive Directors:*

Mr. Mo Jianhua

Mr. Cai Xin

*Independent non-executive Directors:*

Mr. Ding Jiangang

Mr. Li Kunjun

Ms. Cai Haijing

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office in the PRC:*

Room 1201-1, Block 1

New Town Times Square

Shangcheng District

Hangzhou, China

*Principal Place of Business in Hong Kong:*

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

January 28, 2022

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
RENEWAL OF AGREEMENTS DUE TO EXPIRE IN 2021**

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## LETTER FROM THE BOARD

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### I. INTRODUCTION

Reference is made to the announcement of the Company dated December 16, 2021 in relation to, amongst others, the renewal of agreements relating to the continuing connected transactions of the Company. The Non-exempt CCT Agreements and the transactions contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM.

The purpose of this circular is:

- (i) to provide you with further details of the Non-exempt CCT Agreements and the respective proposed annual caps;
- (ii) to set out the opinion of Optima Capital on the terms of the Non-exempt CCT Agreements and the respective proposed annual caps;
- (iii) to set out the recommendation of the Independent Board Committee on the Non-exempt CCT Agreements and the respective proposed annual caps; and
- (iv) to give you notice of the EGM to consider and, if thought fit, to approve the Non-exempt CCT Agreements and the respective proposed annual caps.

### II. RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### 1. 2022 Master Pre-delivery Management Services Agreement

##### *(a) Background*

Reference is made to the Prospectus, the announcement of the Company dated October 30, 2020, the circular of the Company dated November 30, 2020 and the poll results announcement of the extraordinary general meeting of the Company dated December 18, 2020, in relation to, among others, the continuing connected transactions under the Existing Master Pre-delivery Management Services Agreement, and the annual cap thereunder. As the Existing Master Pre-delivery Management Services Agreement would expire on December 31, 2021, and the Group is expected to carry on the transactions contemplated thereunder upon its expiry, the Company entered into the 2022 Master Pre-delivery Management Services Agreement with Binjiang Real Estate on December 16, 2021.



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## LETTER FROM THE BOARD

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*(b) Principal terms*

<b>Date:</b>	December 16, 2021
<b>Parties:</b>	the Company and Binjiang Real Estate
<b>Term:</b>	One year from January 1, 2022 and ending on December 31, 2022
<b>Subject matter:</b>	The Group will provide to Binjiang Real Estate Group pre-delivery management services, including cleaning, quality check assistance and security services for completed properties and display units, and property sales venue management services to property developers.
<b>Pricing and other terms:</b>	The management fees to be charged by the Group under the 2022 Master Pre-delivery Management Services Agreement will be determined on arm's length basis, with reference to (i) the GFA, location and positioning of the properties to be sold; (ii) budgeted operational costs (including but not limited to labor costs, materials costs and administrative costs) to be incurred by the Group for providing such services; and (iii) scope and quality of the services proposed. The fees payable by Binjiang Real Estate Group to the Group and the relevant conditions shall be no less favourable to the Group than those offered by any Independent Third Party.

The parties will separately enter into pre-delivery management services agreements in respect of each pre-delivery management project subject to the terms of the 2022 Master Pre-delivery Management Services Agreement. As there is no regulatory requirement to conduct public tenders for pre-delivery management services, there was no tender process prior to the entering into of the pre-delivery management services agreements with Binjiang Real Estate Group.

*(c) Historical amounts*

For the two years ended December 31, 2020 and the eleven months ended November 30, 2021 (unaudited), the management fees paid to the Group for pre-delivery management services amounted to approximately RMB104.8 million, RMB151.5 million and RMB172.9 million, while the annual caps for 2019, 2020 and 2021 were RMB105 million, RMB210 million and RMB270 million, respectively.

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## LETTER FROM THE BOARD

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***(d) Annual cap and basis of determination***

It is proposed that the annual cap for the transactions contemplated under the 2022 Master Pre-delivery Management Services Agreement for the year ending December 31, 2022 will not exceed RMB350.0 million.

The above annual cap is arrived at based on (i) the historical transaction amounts under the Existing Master Pre-delivery Management Services Agreement; (ii) 34 existing pre-delivery projects that the Group has been engaged by Binjiang Real Estate Group as service provider; and (iii) more than 30 new projects that the Group expects to be engaged by Binjiang Real Estate Group for the year ending December 31, 2022, based on the land acquisitions of Binjiang Real Estate Group from publicly available sources (such as public announcements made by Binjiang Real Estate), enquiries with Binjiang Real Estate Group as to the development plans of these land acquisitions, site visits conducted to assess the location and positioning of the prospective projects and the estimation of the budgeted costs and the applicable rate of fees for providing pre-delivery management services.

Taking into account of the pre-delivery management services provided to the existing projects of Binjiang Real Estate Group, the land acquisitions of Binjiang Real Estate Group, the development plans of these land acquisitions, the location and positioning of the prospective projects and the estimation of the budgeted costs and the applicable rate of fees for providing pre-delivery management services, the Company expects that the transaction amounts under the 2022 Master Pre-delivery Management Services Agreement for the year ending December 31, 2022 will be higher than those under the Existing Master Pre-delivery Management Services Agreement.

***(e) Reasons for and benefits of entering into the 2022 Master Pre-delivery Management Services Agreement***

The Group has been providing pre-delivery management services to Binjiang Real Estate Group for a number of years since 2007. Under the Existing Master Pre-delivery Management Services Agreement, the Group has been providing pre-delivery management services for properties developed by Binjiang Real Estate Group. In addition, based on the development plans of Binjiang Real Estate Group and the land acquisitions of the Binjiang Real Estate Group and in light of a growth of at least approximately 10% in Binjiang Real Estate Group's gross sales amount and a growth of at least approximately 26.7% in the number of Binjiang Real Estate Group's new projects from 2020 to 2021, the Company expects that there will be significant growth in the demand for pre-delivery management services to be provided by the Group to Binjiang Real Estate Group in 2022.

As such, the Directors consider it is beneficial for the Group to renew the Existing Master Pre-delivery Management Services Agreement.

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## LETTER FROM THE BOARD

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### 2. 2022 Property Management Services Agreement

#### (a) *Background*

Reference is made to the Prospectus, the announcement of the Company dated October 30, 2020, the circular of the Company dated November 30, 2020 and the poll results announcement of the extraordinary general meeting of the Company dated December 18, 2020, in relation to, among others, the continuing connected transactions under the Existing Property Management Services Agreement, and the annual cap thereunder. As the Existing Property Management Services Agreement would expire on December 31, 2021, and the Group is expected to carry on the transactions contemplated thereunder upon its expiry, the Company entered into the 2022 Property Management Services Agreement with Binjiang Real Estate on December 16, 2021.

#### (b) *Principal terms*

<b>Date:</b>	December 16, 2021
<b>Parties:</b>	the Company and Binjiang Real Estate
<b>Agency Period:</b>	One year from January 1, 2022 and ending on December 31, 2022
<b>Subject matter:</b>	The Group will provide Binjiang Real Estate Group with property management services for their unsold residential and non-residential property units.
<b>Pricing and other terms:</b>	The service fees to be charged by the Group under the 2022 Property Management Services Agreement will be determined on arm's length basis, with reference to (i) the GFA, location and positioning of the properties involved; (ii) budgeted operational costs (including but not limited to labor costs, materials costs and administrative costs) to be incurred by the Group for providing such services; (iii) scope and quality of the services proposed; (iv) local government's pricing guidance/regulations on property management fees (where applicable); and (v) evaluation of competitors' pricing. The fees payable by Binjiang Real Estate Group to the Group and the relevant conditions shall be no less favourable to the Group than those offered by any Independent Third Party.

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## LETTER FROM THE BOARD

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The parties will separately enter into property management services agreements in respect of each residential and non-residential property unit subject to the terms of the 2022 Property Management Services Agreement. Developers of residential buildings and non-residential buildings in the same property management area shall engage qualified property management enterprises by way of tender (the “**Tender Process**”) under PRC law, which the Tender Process shall be organised by the developer or its agent and monitored by the real estate administrative department of the local governments (the “**Real Estate Department**”). The successful tenderer will enter into a property management service agreement with Binjiang Real Estate Group. In the event that there are less than three tenderers or the property scale is relatively small, the developer may, with the prior approval of the Real Estate Department, engage qualified property management enterprise through direct agreement.

*(c) Historical amounts*

For the two years ended December 31, 2020 and the eleven months ended November 30, 2021 (unaudited), the service fees paid to the Group for property management services amounted to approximately RMB14.5 million, RMB21.5 million and RMB37.4 million, while the annual caps for 2019, 2020 and 2021 were RMB15 million, RMB30 million and RMB50 million, respectively.

*(d) Annual cap and basis of determination*

It is proposed that the annual cap for the transactions contemplated under the 2022 Property Management Services Agreement for the year ending December 31, 2022 will not exceed RMB72.0 million.

The above annual cap is arrived at based on (i) the historical management fees under the Existing Property Management Services Agreement; (ii) the unsold residential and non-residential units and car parking spaces of more than 50 projects that the Group has been engaged by Binjiang Real Estate Group as property management service provider; and (iii) the new residential and non-residential property projects that the Group has been engaged by Binjiang Real Estate Group for property management services for the year ending December 31, 2022.

Based on the estimated pre-sale performance of Binjiang Real Estate Group and the development plans of Binjiang Real Estate Group, the Company expects that the demand for property management services will increase significantly in 2022 under the 2022 Property Management Services Agreement due to the increase in the expected GFA of the relevant residential and non-residential property units. As such, the transaction amounts under the 2022 Property Management Services Agreement for the year ending December 31, 2022 are expected to be higher than those under the Existing Property Management Services Agreement.

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## LETTER FROM THE BOARD

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*(e) Reasons for and benefits of entering into the 2022 Property Management Services Agreement*

The Group has been providing property management services to Binjiang Real Estate Group for a number of years since 2004. Under the Existing Property Management Services Agreement, the Group has been able to secure initial property management service engagements for properties developed by Binjiang Real Estate Group. In addition, based on the estimated pre-sale performance of Binjiang Real Estate Group and the development plans of Binjiang Real Estate Group, the Group expects that the demand for property management services will increase rapidly in 2022 due to the increase in the expected GFA of the relevant residential and non-residential property units.

As such, the Directors consider it is beneficial for the Group to renew the Existing Property Management Services Agreement.

### III. PRICING POLICY FOR CONTINUING CONNECTED TRANSACTIONS

As a general principle, the fees to be charged or paid by the Group under the respective agreement of the continuing connected transactions of the Group shall be determined on an arm's length basis in accordance with the prevailing market prices of similar services or products and on the following principles:

- (i) by reference to transacted prices of recent transactions with same or substantially similar services or products with comparable service scope, service type and transaction volume conducted by the Group with other customers who are Independent Third Parties;
- (ii) if there are not sufficient comparable transactions in (i) above, by reference to prevailing market price of recent transactions in the market with same or substantially similar services with comparable service scope, service type and transaction volume;
- (iii) if there are not sufficient comparable transactions in (ii) above, on normal commercial terms or better to the Group with reference to those offered by Independent Third Parties to Binjiang Real Estate Group in respect of the same or substantially similar services with comparable service scope, service type and transaction volume; and
- (iv) if none of (i), (ii) and (iii) above are applicable, by reference to the average price of similar services previously provided by the Group to Independent Third Parties, and on normal commercial terms or better to the Group.

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## LETTER FROM THE BOARD

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In order to ascertain the prevailing market price, the sales department of the Group and its designated personnel will, from time to time, make reference to the price quoted by at least two Independent Third Parties for the provision of the same or similar services or products with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties; or if applicable, the price list of services or products procured by Binjiang Real Estate Group from Independent Third Parties for the same or similar services or products with comparable scope or quantities and quality as provided by the Group to Binjiang Real Estate Group. The sales department of the Group will then compare the market price with the fees under individual transactions pursuant to the respective agreement of continuing connected transactions, and make evaluation and assessment to ensure that the price payable by or to be charged by Binjiang Real Estate Group will be on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties.

#### **IV. INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS**

To ensure that the continuing connected transactions of the Group are on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures to review and assess whether the individual transactions will be conducted within the framework of the respective Non-exempt CCT Agreements and in accordance with the aforesaid pricing policy:

- (1) the relevant personnel of the sales department and finance department will monitor the transactions on a monthly basis to ensure that the transaction amount does not exceed the annual caps of the respective Non-exempt CCT Agreements;
- (2) the implementation of individual contracts shall be subject to the appropriate approval of the relevant personnel of the business department, finance department, legal department and management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the respective Non-exempt CCT Agreements, particularly that the service fees and payment terms are no less favorable to the Group than those available from Independent Third Parties;
- (3) the relevant personnel of the business department of the Group will conduct annual reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the Group's pricing policy;

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## LETTER FROM THE BOARD

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- (4) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the respective Non-exempt CCT Agreements; and
- (5) the independent non-executive Directors shall review the management's review reports on the transactions contemplated under the respective Non-exempt CCT Agreements to ensure that such transactions are conducted on normal commercial terms or better and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### V. INFORMATION ON THE PARTIES

#### **The Group**

The Company is a limited liability company incorporated in the Cayman Islands. The Group is a reputable property management service provider in China with a focus on high-end properties. As at the Latest Practicable Date, the Group was owned as to approximately (i) 45.85% by Great Dragon Ventures Limited, a company held by Cantrust (Far East) Limited (through its nominee company) as trustee of Bright Cloud Trust which in turn is a discretionary trust set up by Mr. Qi as settlor with beneficiaries including Mr. Qi and his certain family members; (ii) 12.89% by Jovial Success Global Holdings Limited, a company held by Infiniti Trust (Asia) Limited (through its nominee companies) as trustee of Splendid Force Trust which in turn is a discretionary trust set up by Mr. Zhu Huiming as settlor with beneficiaries including Mr. Zhu Huiming and his certain family members; and (iii) 12.89% by Haoyu Ventures Limited, a company held by Infiniti Trust (Asia) Limited (through its nominee companies) as trustee of Great Splendor Trust which in turn is a discretionary trust set up by Mr. Mo as settlor with beneficiaries including Mr. Mo and his certain family members.

#### **Binjiang Real Estate**

Binjiang Real Estate, a limited liability company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 002244), is mainly engaged in real estate development. As at the Latest Practicable Date, Binjiang Real Estate was owned as to approximately (i) 45.41% by Binjiang Holdings; (ii) 11.94% by Mr. Qi; (iii) 3.22% by Mr. Mo; (iv) 3.22% by Mr. Zhu Huiming; and (v) 1.00% by Mr. Qi Jiaqi (戚加奇), the son of Mr. Qi. The remaining shareholders of Binjiang Real Estate each holds less than 5% interest. Binjiang Holdings, which is controlled by Mr. Qi, is owned as to 64% by Mr. Qi, 18% by Mr. Mo and 18% by Mr. Zhu Huiming.

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## LETTER FROM THE BOARD

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### VI. RELATIONSHIP BETWEEN THE GROUP AND BINJIANG REAL ESTATE GROUP

The Group believes that the continuing connected transactions between the Group and Binjiang Real Estate Group do not constitute undue reliance on Binjiang Real Estate Group based on the following grounds:

- (i) The majority of the Group's revenue had been generated from independent third parties. The Group's revenue attributable to Binjiang Real Estate Group amounted to approximately RMB126.7 million, RMB181.8 million and RMB192.2 million, representing approximately 18.1%, 18.9% and 19.8% of the Group's total revenue for the two years ended December 31, 2020 and the nine months ended September 30, 2021, respectively. There was a general stable trend in the proportion of the Group's total revenue attributable to relevant connected transactions.
- (ii) The Group's scale of continuing connected transactions had been reasonable. For the two years ended December 31, 2020, the Group's revenue attributable to Binjiang Real Estate Group in property management services represented approximately 3.5% and 3.9% of the Group's revenue in property management services and approximately 2.1% and 2.2% of the Groups' total revenue, respectively; the Group's revenue attributable to Binjiang Real Estate Group in pre-delivery management services represented approximately 55.5% and 53.7% of the Group's revenue in pre-delivery management services and approximately 14.9% and 15.8% of the Groups' total revenue, respectively.
- (iii) The Group continues to adhere to its development and expansion strategy and will further increase the proportion of business engagement with independent third parties. The proportion of GFA managed by the Group derived from projects developed by independent third parties increased from approximately 4.8% in 2015 to approximately 34.7% by the end of 2020 and further increased to approximately 43.4% by mid-2021. In the first half of 2021, approximately 78.3% of the newly added GFA under management was derived from projects developed by independent third parties. As of September 30, 2021, there were 34 new projects with a GFA of approximately 6.2 million square meters in the third quarter, of which 27 were sourced from independent third parties.



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## LETTER FROM THE BOARD

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- (iv) In view of the sustainable and sound development of Binjiang Real Estate Group, the Group and Binjiang Real Estate Group will maintain long-term and stable cooperative relationships for mutual benefits. Accordingly, the Group does not expect any material adverse change to the well-established relationship between the Group and Binjiang Real Estate Group in the foreseeable future. The daily operation of the Group rests primarily with its Board and the senior management. The Group has also maintained its own financial team and has capability for independently expanding, operating and managing projects sourced from independent third parties. There is no management, financial or operational reliance on Binjiang Real Estate Group.

### VII. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Binjiang Real Estate was controlled by Mr. Qi, one of the controlling Shareholders, and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Non-exempt CCT Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the annual caps contemplated under each of the Non-exempt CCT Agreements exceed 5%, the transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

### VIII. EGM

A notice of the EGM is set out on page EGM-1 to EGM-3 of this circular. The EGM will be convened and held at the Main Conference Room, Block 6, 36 Qingchun Road East, Shangcheng District, Hangzhou, the PRC on Tuesday, February 22, 2022 at 3:30 p.m. for the Independent Shareholders to consider, and if thought fit, to approve the Non-exempt CCT Agreements and the transactions respectively contemplated thereunder.

The proxy form of the EGM is also enclosed in this circular.

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, February 17, 2022 to Tuesday, February 22, 2022, both days inclusive, during which period no transfer of Shares will be registered.

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## LETTER FROM THE BOARD

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Shareholders who wish to attend and vote at the EGM but have not registered the transfer documents shall submit the share certificates together with the properly completed share transfer forms to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, February 16, 2022, for registration.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, voting on all resolutions set out in the notice of EGM shall be taken by way of poll. Any Shareholders who are involved in or interested in any of the Non-exempt CCT Agreements and the transactions contemplated respectively thereunder are required to abstain from voting on the relevant ordinary resolutions.

Under Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in a proposed transaction must abstain from voting at the relevant general meeting on the relevant resolution(s). As at the Latest Practicable Date, Binjiang Real Estate was controlled by Mr. Qi, one of the controlling shareholders of the Company interested in 126,720,000 Shares (representing approximately 45.85% of the Company's total issued share capital) as at the Latest Practicable Date. As such, Mr. Qi and his associates who were interested in 126,720,000 Shares (representing approximately 45.85% of the Company's total issued share capital) as at the Latest Practicable Date will abstain from voting on the resolution(s) to be passed at the EGM. As at the Latest Practicable Date, Mr. Mo and Mr. Zhu Huiming were shareholders of Binjiang Real Estate, and substantial shareholders of the Company. As such, Mr. Mo, Mr. Zhu Huiming and their respective associates who were interested in 71,280,000 Shares (representing approximately 25.79% of the Company's total issued share capital) as at the Latest Practicable Date will abstain from voting on the resolution(s) to be passed at the EGM.

As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Mr. Qi, Mr. Mo, Mr. Zhu Huiming, and their respective associates, none of the other Shareholders had a material interest in the Non-exempt CCT Agreement and the transactions contemplated respectively thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

### **IX. GENERAL**

The Board (including the independent non-executive Directors) considers that the entry of the Non-exempt CCT Agreements are in the Group's ordinary course of business, and the terms of the Non-exempt CCT Agreements and the annual caps thereunder are on normal commercial terms or better and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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Mr. Mo, a non-executive Director, is a shareholder of Binjiang Real Estate, and has therefore abstained from voting on the Board resolution approving the Non-exempt CCT Agreements. Save as aforementioned, none of the other Directors have a material interest in the transactions contemplated under the Non-exempt CCT Agreements and no other Director has abstained from voting.

### **X. RECOMMENDATION**

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the entry of the Non-exempt CCT Agreements and the transactions contemplated thereunder. Having taken into account the terms of the Non-exempt CCT Agreements, the information provided in the letter from the Board and the letter from Optima Capital, the Independent Board Committee considers that the entering into of the Non-exempt CCT Agreements are in the ordinary and usual course of business of the Group, and the terms of the Non-exempt CCT Agreements are on normal commercial terms or better, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Non-exempt CCT Agreements and the transactions contemplated thereunder to be proposed at the EGM and the respective proposed annual caps.

### **XI. ADDITIONAL INFORMATION**

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 18 to 19 of this circular which contains its recommendations to the Independent Shareholders in respect of the terms of the Non-exempt CCT Agreements and the respective proposed annual caps. Your attention is also drawn to the letter of advice from Optima Capital which contains, amongst other matters, its advices to the Independent Board Committee and the Independent Shareholders. The letter from Optima Capital is set out on pages 20 to 33 of this circular.

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

Yours faithfully,  
For and on behalf of the Board  
**BINJIANG SERVICE GROUP CO. LTD.**  
**Zhu Lidong**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the terms of the Non-exempt CCT Agreements and the transactions contemplated thereunder.*



**濱江服務**

BINJIANG SERVICE

**Binjiang Service Group Co. Ltd.**

**濱江服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3316)**

January 28, 2022

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS RENEWAL OF AGREEMENTS DUE TO EXPIRE IN 2021**

We refer to the circular of the Company to the Shareholders dated January 28, 2022 (the “**Circular**”), in which this letter forms a part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Non-exempt CCT Agreements and the respective proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Optima Capital, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on whether (i) the terms of the Non-exempt CCT Agreements (including the

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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respective proposed annual caps) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned and; (ii) the Transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Having considered, amongst other matters, the factors and reasons considered by, and the opinion of Optima Capital as stated in its letter of advice, we consider the terms of the Non-exempt CCT Agreements (including the respective proposed annual caps) 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 ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in relation to the Non-exempt CCT Agreements to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

**Mr. Ding Jiangang**

**Mr. Li Kunjun**

**Ms. Cai Haijing**

*Independent non-executive Directors*

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## LETTER FROM OPTIMA CAPITAL

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*The following is the letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



Suite 1501, 15th Floor  
Jardine House  
1 Connaught Place  
Central  
Hong Kong

28 January 2022

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### CONTINUING CONNECTED TRANSACTIONS

#### 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 entering into of the 2022 Master Pre-delivery Management Services Agreement and the 2022 Property Management Services Agreement (i.e. the Non-exempt CCT Agreements) between the Company and Binjiang Real Estate. Details of the Non-exempt CCT Agreements are set out in the letter from the Board contained in the circular of the Company dated 28 January 2022 (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 otherwise specified.

Binjiang Real Estate is indirectly controlled by Mr. Qi, one of the controlling Shareholders interested in 126,720,000 Shares (representing approximately 45.85% of the issued share capital of the Company) as at the Latest Practicable Date. Accordingly, Binjiang Real Estate is a connected person of the Company under the Listing Rules. The transactions contemplated under the Non-exempt CCT Agreements (the “**Transactions**”) constitute continuing connected transactions of the Company and are subject to the reporting, announcement, independent shareholders’ approval and annual review requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM OPTIMA CAPITAL

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The Company will seek the Independent Shareholders' approval of the Non-exempt CCT Agreements at the EGM. The voting at the EGM will be conducted by way of poll. Under Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in a proposed transaction must abstain from voting at the relevant general meeting on the relevant resolution(s). As at the Latest Practicable Date, Binjiang Real Estate was controlled by Mr. Qi, one of the controlling shareholders of the Company; and Mr. Mo and Mr. Zhu Huiming were shareholders of Binjiang Real Estate and substantial shareholders of the Company. As such, Mr. Qi, Mr. Mo and Mr. Zhu Huiming and their respective associates will abstain from voting on the resolution(s) to be passed at the EGM. As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Mr. Qi, Mr. Mo and Mr. Zhu Huiming, none of the Shareholders had a material interest in the Non-exempt CCT Agreements and the transactions contemplated respectively thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether (i) the terms of the Non-exempt CCT Agreements (including the respective proposed annual caps) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to give a recommendation to the Independent Shareholders in respect of the voting on the resolutions to be proposed at the EGM to approve the Non-exempt CCT Agreements. We, Optima Capital, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at and during the two years prior to the Latest Practicable Date, save for the engagements as independent financial adviser in relation to the Existing Master Pre-delivery Management Services Agreement and the Existing Property Management Services Agreement and the Non-exempt CCT Agreements, neither Optima Capital nor persons stipulated under Rule 13.84(4) of the Listing Rules had any relationship with the Company, Binjiang Real Estate, or a director, subsidiary, holding company or substantial shareholder of the Company or Binjiang Real Estate, which would be reasonably considered to affect our independence in performing the duties as set out in the Listing Rules, or might reasonably give rise to a perception that our independence would be so affected.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company (together, the "**Management**"), and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects as at the date hereof and will continue to be so as at the date of the EGM. We have assumed that all the opinions or representations of the Management have been reasonably made after due and careful enquiry. We

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## LETTER FROM OPTIMA CAPITAL

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have also sought and received confirmation from the Management that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Non-exempt CCT Agreements and the Transactions are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned and the Transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, we have taken into account the following principal factors and reasons:

#### 1. Principal businesses of the Group and Binjiang Real Estate

The Group is a property management service provider in the PRC with a regional focus on the Yangtze River Delta. The Group has three major business lines, being provision of property management services, value-added services to non-property owners and 5S value-added services. Property management services include security, cleaning, gardening, repair, maintenance and ancillary services. Value-added services to non-property owners, mainly to property developers, include, among others, (i) pre-delivery management services such as cleaning, assisting with quality check and security services for completed properties and show flats and providing property sales venue management services; (ii) consulting services such as advising property developers on project planning, design management and construction management; and (iii) community space services such as assisting advertising companies with regard to advertisement placements in the community spaces and managing community venue in the properties managed by the Group. 5S value-added services mainly include home optimization services such as property agent services, car parking space and storage room services and sales agency services; living optimization services such as customized interior furnishing services; and lifestyle optimization services including home living services.

Binjiang Real Estate, a company listed on the Shenzhen Stock Exchange (stock code: 002244), is a property developer with a regional focus on the Yangtze River Delta.



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## LETTER FROM OPTIMA CAPITAL

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The Group has been providing property management services and pre-delivery management services to Binjiang Real Estate for a number of years. Having considered the respective principal activities of the Group and Binjiang Real Estate as described above and the established business relationship between the Group and Binjiang Real Estate, we are of the view that the Non-exempt CCT Agreements are entered into in the ordinary and usual course of business of the Group.

### **2. 2022 Master Pre-delivery Management Services Agreement**

#### *Background*

As disclosed in the Prospectus and the annual reports of the Company for the three years ended 31 December 2020, the Group provides pre-delivery management services to the Binjiang Real Estate Group and this arrangement has been in place for a number of years. On 30 October 2020, the Company and Binjiang Real Estate entered into the Existing Master Pre-delivery Management Services Agreement to regulate the transactions with the Binjiang Real Estate Group in relation to the provision of pre-delivery management services during the one-year period ended 31 December 2021. As the Existing Master Pre-delivery Management Services Agreement would expire on 31 December 2021, the Company and Binjiang Real Estate entered into the 2022 Master Pre-delivery Management Services Agreement on 16 December 2021 to regulate the transactions in relation to the provision of such services during the one-year period ending 31 December 2022. Save for the periods covered under the respective agreements and the annual caps, the terms of the 2022 Master Pre-delivery Management Services Agreement are literally identical to those under the Existing Master Pre-delivery Management Services Agreement.

The parties will separately enter into pre-delivery management services agreements in respect of each pre-delivery management project, subject to the terms of the 2022 Master Pre-delivery Management Services Agreement.

#### *Scope of services*

Pursuant to the 2022 Master Pre-delivery Management Services Agreement, the Group will provide pre-delivery management services, including cleaning, quality check assistance and security services for completed properties and show flats and property sales venue management services to members of the Binjiang Real Estate Group. The exact scope of services to be provided to each individual project depends on a number of factors including but not limited to the GFA, location and positioning of the properties involved.

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## LETTER FROM OPTIMA CAPITAL

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### *Pricing and other terms*

We note that the Group has adopted the following general principles for the pricing of continuing connected transactions to be conducted by the Group (the “**General Pricing Policy**”), including but not limited to the transactions contemplated under the 2022 Master Pre-delivery Management Services Agreement and the 2022 Property Management Services Agreement. In general, prices of connected transactions shall be determined:

- (a) by reference to transacted prices of recent transactions with same or substantially similar services or products with comparable service scope, service type and transaction volume conducted by the Group with other customers/suppliers who are Independent Third Parties;
- (b) if there are not sufficient comparable transactions in (a) above, by reference to prevailing market price of recent transactions in the market with same or substantially similar services or products with comparable service scope, service type and transaction volume;
- (c) if there are not sufficient comparable transactions in (b) above, on normal commercial terms or better to the Group with reference to those offered to/by Independent Third Parties by/to the Binjiang Real Estate Group in respect of the same or substantially similar services or products with comparable service scope, service type and transaction volume; and
- (d) if none of (a), (b) and (c) above are applicable, by reference to the average price of similar services or products previously supplied to or purchased by the Group from Independent Third Parties, and on normal commercial terms or better to the Group.

For the purpose of determining the pricing of pre-delivery management services, the Group has drawn up a specific pricing guideline (the “**Guideline**”) in accordance with the principles of the General Pricing Policy which is applicable to all the pre-delivery management services provided to the Binjiang Real Estate Group and Independent Third Parties. We have reviewed the Guideline which sets out in detail the scale of service fees to be charged by the Group for each property project depending on (i) the GFA, location and positioning of the properties involved; (ii) the budgeted operational costs (including but not limited to labour costs, materials costs and administrative costs) to be incurred by the Group for providing such services; and (iii) the scope and quality of the services proposed. As advised by the Management, the sales department of the Group shall review the Guideline annually and update the pricing and other terms contained in the Guideline when appropriate with reference to prevailing market price for the same or substantially similar services with comparable scope and quality. As there is no regulatory requirement to

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## LETTER FROM OPTIMA CAPITAL

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conduct public tenders for pre-delivery management services, there was no tender process prior to the entering into of pre-delivery management services agreements with both Binjiang Real Estate and Independent Third Parties. Instead, the sales department shall provide fee quotations to customers (including Binjiang Real Estate and Independent Third Parties) for a particular property project based on the most updated Guideline at the relevant time.

The service fees to be charged by the Group under the 2022 Master Pre-delivery Management Services Agreement and the payment terms thereof will be determined in accordance with the Guideline. We have selected on a random basis and reviewed an agreement entered into by the Group with each of Binjiang Real Estate Group and an Independent Third Party in respect of pre-delivery management services which we consider sufficient for our understanding of the pricing procedures, and noted that the service fees to be charged by the Group thereunder have been determined in accordance with the Guideline. Having taken into account (i) the above procedures adopted by the Group to determine the service fee and payment terms; (ii) the General Pricing Policy and the Guideline which are applicable to all the pre-delivery management services provided to the Binjiang Real Estate Group and Independent Third Parties; (iii) the internal control mechanisms in place as set out in the section headed “5. Internal controls” below; and (iv) the documents reviewed by us set out above, we are of the view that the basis upon which the pricing and other terms of the 2022 Master Pre-delivery Management Services Agreement are determined are fair and reasonable so far as the Independent Shareholders are concerned, are no less favourable to the Group than the terms available from Independent Third Parties and are in the interests of the Company and the Shareholders as a whole.

### *The existing annual cap and the 2022 Pre-delivery Annual Cap*

The table below sets out the existing annual cap for the year ended 31 December 2021 under the Existing Master Pre-delivery Management Services Agreement, the proposed annual cap for the year ending 31 December 2022 under the 2022 Master Pre-delivery Management Services Agreement (the “**2022 Pre-delivery Annual Cap**”) and the historical transaction amounts for each of the years ended 31 December 2019 and 2020 and the eleven months ended 30 November 2021:

	<b>For the year ended 31 December 2021</b>	<b>For the year ending 31 December 2022</b>
	<i>RMB million</i>	<i>RMB million</i>
Existing annual cap/2022 Pre-delivery Annual Cap	270.0	350.0

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**LETTER FROM OPTIMA CAPITAL**

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	<b>For the year ended</b>		<b>For the eleven</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2019</b>	<b>2020</b>	<b>30 November</b>
	<i>RMB million</i>	<i>RMB million</i>	<b>2021</b>
			<i>RMB million</i>
Unaudited actual transaction amounts	104.8	151.5	172.9

As shown in the table above, the historical transaction amount increased by approximately 44.6% from approximately RMB104.8 million for the year ended 31 December 2019 to approximately RMB151.5 million for the year ended 31 December 2020; and reached approximately RMB172.9 million for the eleven months ended 30 November 2021 which already exceeded the transaction amount recorded for the year ended 31 December 2020 by approximately 14.1%. We understand from the Management that the above increases in transaction amounts were mainly due to increase in demand for pre-delivery management services provided by the Group to the Binjiang Real Estate Group as a result of the expansion of the Binjiang Real Estate Group's property development operations during the years. The projected transaction amount for the year ended 31 December 2021 by annualising the actual transaction amount of RMB172.9 million for the eleven months ended 30 November 2021 represents approximately 69.9% of the annual cap for the year.

As disclosed in the 2020 annual report and the 2021 interim report of Binjiang Real Estate, the Binjiang Real Estate Group had acquired land bank with developable area of approximately 4.3 million square metres (“sq. m.”) and approximately 2.3 million sq. m. during the year ended 31 December 2020 and the six months ended 30 June 2021 respectively, and had land bank with developable area of approximately 14.3 million sq. m. as at 30 June 2021. The Management expects that the demand for the Group's pre-delivery management services from the Binjiang Real Estate Group will continue to increase based on (i) the property projects which are expected to require pre-delivery management services from the Group during the year ending 31 December 2022; and (ii) the Group's ability to secure pre-delivery management services projects of the Binjiang Real Estate Group given the long term business relationship between the Group and Binjiang Real Estate. Accordingly, the 2022 Pre-delivery Annual Cap is set at RMB350.0 million, representing an approximately 29.6% increase from that for the year ended 31 December 2021.

Based on our discussions with the Management, we understand that the 2022 Pre-delivery Annual Cap is determined with reference to (i) the historical transaction amounts under the Existing Master Pre-delivery Management Services Agreement; (ii) the estimated total amount of pre-delivery management fees to be recognised by the Group during the year ending 31 December 2022 based on signed contracts in relation to 34 existing projects for which the Group has been engaged by the Binjiang Real Estate Group as pre-delivery management service provider; and (iii)

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## LETTER FROM OPTIMA CAPITAL

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the estimated total amount of pre-delivery management fees to be recognised by the Group during the year ending 31 December 2022 in relation to more than 30 prospective projects for which the Group is expected to be engaged by the Binjiang Real Estate Group as pre-delivery management service provider. For this purpose, the Group has made reference to land acquisitions of the Binjiang Real Estate Group from publicly available sources (such as public announcements made by Binjiang Real Estate), made enquiries with the Binjiang Real Estate Group as to the development plans of these land acquisitions, performed site visits to assess the location and positioning of the prospective projects and estimated the budgeted costs and the applicable rate of fees for providing pre-delivery management services. A 10% buffer on top of the forecast transaction amount estimated on the above basis has been incorporated to allow for possible fluctuations in fees and costs.

We have reviewed the schedule prepared by the Company for the purpose of estimating the 2022 Pre-delivery Annual Cap and note that the 2022 Pre-delivery Annual Cap has been determined on the above bases which we consider reasonable. We are also of the view that the 10% buffer incorporated in the 2022 Pre-delivery Annual Cap is reasonable, having considered that it allows some extent of flexibility for the Group to promptly cope with any unanticipated increase in demand without the need of re-complying with the relevant Listing Rules. Based on the above analysis, we consider the 2022 Pre-delivery Annual Cap is fair and reasonable.

### **3. The 2022 Property Management Services Agreement**

#### ***Background***

As set out in the Prospectus and the annual reports of the Company for the three years ended 31 December 2020, the Group provides property management services to the Binjiang Real Estate Group for their unsold residential and non-residential property units and this arrangement had been in place for a number of years. Under the relevant PRC rules and regulations, the property developers are responsible for the payment of property management fee for any property units which are unsold. The term of the property management services between the Group and Binjiang Real Estate Group ends when the relevant property unit is sold as the new property owners will be responsible for the payment of property management fees to the Group after delivery of the relevant properties. On 30 October 2020, the Company and Binjiang Real Estate entered into the Existing Property Management Services Agreement to regulate the transactions with Binjiang Real Estate Group in relation to the provision of property management services during the one-year period ended 31 December 2021. As the Existing Property Management Services Agreement would expire on 31 December 2021, the Company and Binjiang Real Estate entered into the 2022 Property Management Services Agreement on 16 December 2021 to regulate the transactions in relation to the provision of such services during the one-year period ending 31 December 2022.

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## LETTER FROM OPTIMA CAPITAL

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Save for the periods covered under the respective agreements and the annual caps, the terms of the 2022 Property Management Services Agreement are literally identical to those under the Existing Property Management Services Agreement.

The parties will separately enter into property management services agreements in respect of each property management project, subject to the terms of the 2022 Property Management Services Agreement.

### *Scope of services*

Pursuant to the 2022 Property Management Services Agreement, the Group will provide property management services for unsold residential and non-residential property units to members of the Binjiang Real Estate Group.

### *Pricing and other terms*

Pursuant to 《前期物業管理招標投標管理暫行辦法》的通知 (建住房[2003]130號) (Notice for Interim Measures on Regulation of Bid-Inviting and Bidding for Preliminary Property Management (Jian Zhu Fang [2003] No. 130)\*) issued by the State Council of the PRC, developers of residential buildings and non-residential buildings in the same property management area shall engage qualified property management enterprises by way of tender (the “**Tender Process**”), which Tender Process shall be organised by the developer or its agent and monitored by the real estate administrative department of the local governments (the “**Real Estate Department**”). Tenders submitted shall be evaluated by an evaluation committee (the “**Evaluation Committee**”) comprising representatives of the developer and property management experts nominated by the Real Estate Department, with reference to, among other things, the qualifications, know-how, experience and track record of the tenderers. In any event, the representatives of the developer shall consist of not more than one-third of the total number of members of the Evaluation Committee. The successful tenderer will enter into a property management service agreement with the developer. In the event that there are less than three tenderers, or the property scale is relatively small, the developer may, with the prior approval of the Real Estate Department, engage qualified property management enterprise through direct agreement.

We understand from the Management that Tender Process is usually required for the engagement of property managers for projects developed by the Binjiang Real Estate Group. The service fees are determined by Binjiang Real Estate Group in accordance with local policies and positioning of the property and are stipulated in the tender invitations issued by them. We have selected on a random basis and reviewed a set of tender invitation, internal approval for tender submission and service agreement entered into by the Group in respect of property management services with each of Binjiang Real Estate Group and an Independent Third Party which we

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## LETTER FROM OPTIMA CAPITAL

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consider sufficient for our understanding of the pricing procedures, and understand from the Management that when considering whether to submit a tender for a project, the Group will take into account (i) the GFA, location and positioning of the properties involved; (ii) the budgeted operational costs (including but not limited to labour costs, materials costs and administrative costs) to be incurred for providing such services; and (iii) the scope and quality of the services proposed; (iv) local government's pricing guidance/regulations on property management fees (where applicable); and (v) evaluation of competitors' pricing. In any event, the service fees and the payment terms offered by the Group to the Binjiang Real Estate Group shall be no less favourable to the Group than those offered to Independent Third Parties for similar services.

Having taken into account (i) the Tender Process governed by the Real Estate Department; (ii) the internal control mechanisms in place as set out in the section headed "5. Internal controls" below; and (iii) the documents reviewed by us set out above, we are of the view that the basis upon which the pricing and other terms of the 2022 Property Management Services Agreement are determined are fair and reasonable so far as the Independent Shareholders are concerned, are no less favourable to the Group than the terms available from Independent Third Parties and are in the interests of the Company and the Shareholders as a whole.

### *Existing annual cap and the 2022 Property Management Annual Cap*

The table below sets out the existing annual cap for the year ended 31 December 2021 under the Existing Property Management Services Agreement, the proposed annual cap for the year ending 31 December 2022 (the "2022 Property Management Annual Cap") under the 2022 Property Management Services Agreement, and the unaudited actual transaction amounts for the two years ended 31 December 2019 and 2020 and the eleven months ended 30 November 2021:

	<b>For the year ended 31 December 2021</b>	<b>For the year ending 31 December 2022</b>
	<i>RMB million</i>	<i>RMB million</i>
Existing annual cap/2022 Property Management Annual Cap	50.0	72.0



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## LETTER FROM OPTIMA CAPITAL

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	<b>For the year ended</b>		<b>For the eleven</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2019</b>	<b>2020</b>	<b>30 November</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Unaudited actual transaction amounts	14.5	21.5	37.4

As shown in the table above, the historical transaction amount increased by approximately 48.3% from approximately RMB14.5 million for the year ended 31 December 2019 to approximately RMB21.5 million for the year ended 31 December 2020; and reached approximately RMB37.4 million for the eleven months ended 30 November 2021 which already exceeded the transaction amount recorded for the year ended 31 December 2020 by approximately 74.0%. We understand from the Management that the increase in transaction amount was mainly due to increase in demand for property management services provided by the Group to the Binjiang Real Estate Group as a result of the expansion of the Binjiang Real Estate Group's property development operations as evidenced by the increasing land bank of the Binjiang Real Estate Group in recent years as mentioned above. The projected transaction amount for the year ended 31 December 2021 by annualising the actual transaction amount of RMB37.4 million for the eleven months ended 30 November 2021 represents approximately 81.6% of the annual cap for the year.

As advised by the Management, it is expected that the demand for the Group's property management services from the Binjiang Real Estate Group will continue to increase based on (i) the property projects which are expected to be completed during the year ending 31 December 2022 as set out in the 2020 annual report of Binjiang Real Estate; (ii) the estimated pre-sale performance of each of the Binjiang Real Estate Group's property projects; and (iii) the Group's ability to secure property management projects of the Binjiang Real Estate Group given the long term business relationship between the Group and Binjiang Real Estate. Accordingly, the 2022 Property Management Annual Cap is set at RMB72.0 million, representing a 44.0% increase from that for the year ended 31 December 2021.

Based on our discussions with the Management, we understand that the 2022 Property Management Annual Cap is determined with reference to (i) the historical transaction amounts under the Existing Property Management Services Agreement; (ii) the estimated total amount of property management fees to be recognised by the Group during the year ending 31 December 2022 based on signed contracts in relation to over 50 existing projects with unsold residential and non-residential property units and car parking spaces for which the Group has been engaged by the Binjiang Real Estate Group as property management service provider; and (iii) the estimated total amount of property management fees to be recognised by the Group for the year ending 31 December 2022 based on signed contracts in relation to new projects for which the Group has been



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## LETTER FROM OPTIMA CAPITAL

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engaged by the Binjiang Real Estate Group as property management service provider starting in the year ending 31 December 2022. A 10% buffer on top of the aforesaid forecast transaction amount for the year ending 31 December 2022 has been incorporated for the purpose of setting the 2022 Property Management Annual Cap in order to cater for unexpected additional scope of services or engagement for new projects.

We have reviewed the schedule prepared by the Company for the purpose of estimating the 2022 Property Management Annual Cap and note that the 2022 Property Management Annual Cap has been determined on the above bases which we consider reasonable. We are also of the view that the 10% buffer incorporated in the 2022 Property Management Annual Cap is reasonable, having considered that it allows some extent of flexibility for the Group to promptly cope with any unanticipated increase in demand without the need of re-complying with the relevant Listing Rules. Based on the above analysis, we consider the 2022 Property Management Annual Cap is fair and reasonable.

#### **4. Commercial rationale for the Non-exempt CCT Agreements**

Over the years, the revenue generated by the Group from Binjiang Real Estate Group has remained stable at around one-fifth, while the majority of the Group's revenue had been generated from Independent Third Parties. The overall revenue generated by the Group from Binjiang Real Estate Group (primarily from the provision of pre-delivery management services) amounted to approximately RMB126.7 million, RMB181.8 million and RMB192.2 million for the years ended 31 December 2019 and 2020 and the nine months ended 30 September 2021 respectively, representing approximately 18.1%, 18.9% and 19.8% of the consolidated revenue of the Group for the corresponding year/period. Furthermore, as advised by the Management, the proportion of GFA managed by the Group for projects developed by Independent Third Parties reached approximately 34.7% by the end of 2020 and increased to approximately 43.4% by the middle of 2021; and for the three months ended 30 September 2021, 27 of the 34 new projects with aggregate GFA of approximately 6.2 million sq.m. were sourced from Independent Third Parties. Due to the long-term cooperative and mutually beneficial relationship between the Group and Binjiang Real Estate Group, the Management does not expect any material adverse change to such relationship in the foreseeable future. In view of the above, we concur with the Board's view that the Non-exempt CCT Agreements, among others, as set out in the letter from the Board in this circular, does not constitute undue reliance on Binjiang Real Estate Group.

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## LETTER FROM OPTIMA CAPITAL

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### 5. Internal controls

To ensure that the continuing connected transactions of the Group are on normal commercial terms or better and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures to review and assess whether the individual Transaction will be conducted within the framework of the respective Non-exempt CCT Agreements and in accordance with the aforesaid pricing policy:

- (a) the relevant personnel of the sales department and finance department will monitor the Transactions on a monthly basis to ensure that the transaction amount does not exceed the annual caps of the respective Non-exempt CCT Agreements;
- (b) the implementation of individual contracts shall be subject to the appropriate approval of the relevant personnel of the business department, finance department, legal department and management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the respective Non-exempt CCT Agreements, particularly that the service fees and payment terms are no less favourable to the Group than those available from Independent Third Parties;
- (c) the relevant personnel of the sales department of the Group will conduct annual reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific Transaction is fair and reasonable and is in accordance with the Group's pricing policy;
- (d) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such Transactions to ensure that the transaction amount is within the annual caps and that the Transactions are conducted on the principal terms of the respective Non-exempt CCT Agreements; and
- (e) the independent non-executive Directors shall review the management's review reports on the Transactions to ensure that such Transactions are conducted on normal commercial terms or better and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

We have reviewed the internal policies and procedures manual of the Transactions and considered that the measures in place provide reasonable assurance that the conduct of the Transactions would be governed by approval(s) from relevant management level and in compliance with the terms and conditions as stated in the Non-exempt CCT Agreements. Further, we note from the annual report of the Company for the year ended 31 December 2020 that the auditors of the

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## LETTER FROM OPTIMA CAPITAL

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Company have reported on the continuing connected transactions (including the Transactions) of the Group in accordance with Rule 14A.56 of the Listing Rules, and the independent non-executive Directors have also reviewed the continuing connected transactions (including the Transactions) of the Group during the year and confirmed that the Transactions have been entered into (i) in the ordinary and usual course of the Group's business; (ii) on normal commercial terms or not inferior to the terms available or obtained by the Group from an independent third party; and (iii) in accordance with its regulatory agreement, on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

In light of the above, we are of the view that appropriate measures are in place to ensure that the Transactions will be conducted on normal commercial terms or better and to safeguard the interests of the Independent Shareholders and of the Company as a whole.

### OPINION

Having considered the abovementioned principal factors and reasons, we consider that (i) the terms of the Non-exempt CCT Agreements (including the 2022 Pre-delivery Annual Cap and the 2022 Property Management Annual Cap) are on normal commercial terms or better and fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Non-exempt CCT Agreements.

Yours faithfully,  
for and on behalf of  
**OPTIMA CAPITAL LIMITED**  
**Calvin Cheng**  
*Director, Corporate Finance*

*Mr. Calvin Cheng is a responsible officer of Optima Capital and a licensed person registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Cheng has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.*

\* *The English name is for identification purpose only.*

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### a. Directors' and Chief Executive's Interests and Short Positions in Shares, underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept by the Company or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company were as follows:

Name of Director	Capacities in which interests are held	Number of Shares	Long/Short position	Approximate percentage of shareholding in the Company
Mr. Mo	Settlor of a discretionary trust and interest in controlled corporation	35,640,000 <sup>(1)</sup>	Long position	12.89%

*Note:*

- (1) As at the Latest Practicable Date, Haoyu Ventures Limited (“**Haoyu**”) held 12.89% of issued share capital of the Company. The entire issued share capital of Haoyu is held by Infiniti Trust (Asia) Limited (through its nominee companies) as a trustee of Great Splendor Trust. Great Splendor Trust is a discretionary trust set out by Mr. Mo as settlor on November 19, 2018. The beneficiaries of the Great Splendor Trust include Mr. Mo and certain family members of Mr. Mo.

Save as disclosed above, as at Latest Practicable Date, none of the Directors or chief executives of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

**b. Substantial Shareholders' Interests in Shares and Underlying Shares**

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (each not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacities/ Nature of interest	Number of Shares	Long/Short position/ Lending pool	Approximate percentage of shareholding
Mr. Qi <sup>(1)</sup>	Settlor of a discretionary trust and interest in controlled corporation	126,720,000	Long position	45.85%
Great Dragon Ventures Limited ("Great Dragon") <sup>(1)</sup>	Beneficial owner	126,720,000	Long position	45.85%
Bright Cloud Holding Limited <sup>(1)</sup>	Interest of a controlled corporation	126,720,000	Long position	45.85%
Cantrust (Far East) Limited <sup>(1)</sup>	Trustee and interest in controlled corporation	126,720,000	Long position	45.85%
Mr. Zhu Huiming <sup>(2)</sup>	Settlor of a discretionary trust and interest in controlled corporation	35,640,000	Long position	12.89%
Jovial Success Global Holdings Limited ("Jovial Success") <sup>(2)</sup>	Beneficial owner	35,640,000	Long position	12.89%
Splendid Force Holding Limited <sup>(2)</sup>	Interest in controlled corporation	35,640,000	Long position	12.89%

Name of Shareholder	Capacities/ Nature of interest	Number of Shares	Long/Short position/ Lending pool	Approximate percentage of shareholding
Haoyu <sup>(2)</sup>	Beneficial owner	35,640,000	Long position	12.89%
Great Splendor Holding Limited <sup>(2)</sup>	Interest in controlled corporation	35,640,000	Long position	12.89%
Infiniti Trust (Asia) Limited <sup>(2)</sup>	Trustee and interest in controlled corporation	71,280,000	Long position	25.79%

*Notes:*

- (1) As at the Latest Practicable Date, Great Dragon held 45.85% of issued share capital of the Company. The entire issued share capital of Great Dragon is held by Cantrust (Far East) Limited (through its nominee company) as trustee of Bright Cloud Trust. Bright Cloud Trust is a discretionary trust set up by Mr. Qi as settlor on November 19, 2018. The beneficiaries of the Bright Cloud Trust include Mr. Qi and certain family members of Mr. Qi.
- (2) As at the Latest Practicable Date, each of Jovial Success and Haoyu held 12.89% of issued share capital of the Company, respectively. The entire issued share capital of Jovial Success and Haoyu are held by Infiniti Trust (Asia) Limited (through its nominee companies) as trustee of each Splendid Force Trust and Great Splendor Trust, respectively. Splendid Force Trust is a discretionary trust set up by Mr. Zhu Huiming as settlor on November 19, 2018. The beneficiaries of the Splendid Force Trust include Mr. Zhu Huiming and certain family members of Mr. Zhu Huiming. Great Splendor Trust is a discretionary trust set out by Mr. Mo as settlor on November 19, 2018. The beneficiaries of the Great Splendor Trust include Mr. Mo and certain family members of Mr. Mo.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

### 3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with the Group which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

**4. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors (other than independent non-executive Directors) or their respective associates had engaged in or had any interest in any business which, directly or indirectly, competed or might compete with the businesses of the Group.

**5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors:

- (i) had any interest, direct or indirect, in any assets which have been, since 31 December, 2020 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; or
- (ii) was materially interested in any contract or arrangement, subsisting at the date of this circular, which is significant in relation to the business of the Group.

**6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2020, being the date to which the latest audited financial statements of the Company were made up.

**7. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has been engaged by the Company and who has been named in this circular or who has given its opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Optima Capital	A corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Optima Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, logo and its letter in the form and context in which they respectively appear in this circular.

As at the Latest Practicable Date, Optima Capital (i) 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; and (ii) had no direct or indirect interests in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2020 (the date to which the latest published audited consolidated financial statements of the Company were made up).

## **8. GENERAL**

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The head office of the Company is at Room 1201-1, Block 1, New Town Times Square, Shangcheng District, Hangzhou, PRC.
- (d) The principal place of business of the Company in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (e) Ms. Zhong Ruoqin and Ms. Au Wai Ching are the joint company secretaries of the Company. Ms. Au is the manager of SWCS Corporate Services Group (Hong Kong) Limited (an external service provider).
- (f) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

## **9. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hzbjwy.com>) for the period of 14 days from the date of this circular:

- (a) the 2022 Master Pre-delivery Management Services Agreement; and
- (b) the 2022 Property Management Services Agreement.



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## NOTICE OF EGM

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**濱江服務**

BINJIANG SERVICE

**Binjiang Service Group Co. Ltd.**

**濱江服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3316)

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Binjiang Service Group Co. Ltd. (the “Company”) will be held the Main Conference Room, Block 6, 36 Qingchun Road East, Shangcheng District, Hangzhou, the PRC on Tuesday, February 22, 2022 at 3:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions (with or without modifications) as ordinary resolutions of the Company:

### **ORDINARY RESOLUTIONS**

1. **“THAT:**

- (a) the 2022 master pre-delivery management services agreement (the “**2022 Master Pre-delivery Management Services Agreement**”) dated December 16, 2021 entered into between the Company and Binjiang Real Estate, a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transaction contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual cap under the 2022 Master Pre-delivery Management Services Agreement as set out in the circular of the Company dated January 28, 2022 be and is hereby approved, confirmed and ratified; and
- (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the 2022 Master Pre-delivery Management Services Agreement and the transactions respectively contemplated thereunder.”

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## NOTICE OF EGM

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2. “**THAT:**

- (a) the 2022 property management services agreement (“**2022 Property Management Services Agreement**”) dated December 16, 2021 between the Company and Binjiang Real Estate, a copy of which is tabled at the meeting and marked “**B**” and initialled by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transaction contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual cap under the 2022 Property Management Services Agreement as set out in the circular of the Company dated January 28, 2022 be and is hereby approved, confirmed and ratified; and
- (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the 2022 Property Management Services Agreement and the transactions respectively contemplated thereunder.”

By Order of the Board  
**BINJIANG SERVICE GROUP CO. LTD.**  
**Zhu Lidong**  
*Chairman*

Hangzhou, PRC, January 28, 2022

*Notes:*

- (1) All resolutions at the EGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (2) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. A proxy need not be a shareholder of the Company. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
- (3) In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged by post or by hand at the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the EGM (i.e. not later than 3:30 p.m. on Sunday, February 20, 2022) or any adjournment thereof.

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## NOTICE OF EGM

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- (4) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) The register of members of the Company will be closed from Thursday, February 17, 2022 to Tuesday, February 22, 2022 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the EGM to be held on Tuesday, February 22, 2022 all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, February 16, 2022).

*As at the date of this notice, the board of directors of the Company comprises Mr. Zhu Lidong and Ms. Zhong Ruoqin as executive directors; Mr. Mo Jianhua and Mr. Cai Xin as non-executive directors; Mr. Ding Jiangang, Mr. Li Kunjun and Ms. Cai Haijing as independent non-executive directors.*

\* *For identification purposes only*