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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 (1) REVISION OF ANNUAL CAP AND (2) RENEWAL OF AGREEMENTS DUE TO EXPIRE IN 2020 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

**OPTIMA  
CAPITAL  
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 6 to 18 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 19 to 20 of this circular. A letter from Optima Capital, containing advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 34 of this circular.

A notice convening the EGM to be held at the Main Conference Room, Block 6, 36 Qingchun Road East, Jianggan District, Hangzhou, the PRC on Friday, December 18, 2020 at 3:30 p.m. is set out on pages 41 to 43 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 Wednesday, December 16, 2020) 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.

November 30, 2020

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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:*

“2021 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
“2021 Property Management Services Agreement”	the property management services agreement entered into between the Company and Binjiang Real Estate dated October 30, 2020
“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 controlled by Mr. Qi, one of the controlling Shareholders of the Company, and 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 Small & Medium Enterprise Board of Stock Exchange (stock code: 002244). Binjiang Holdings holds approximately 42.95% interest in Binjiang Real Estate according to the 2020 interim report of Binjiang Real Estate. Binjiang Real Estate is controlled by Mr. Qi, one of the controlling Shareholders of the Company, and 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 and the issued shares of which are listed on the Stock Exchange
“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 extraordinary general meeting of the Company to be held and convened at the Main Conference Room, Block 6, 36 Qingchun Road East, Jianggan District, Hangzhou, the PRC on Friday, December 18, 2020 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 December 20, 2018
“Existing Property Management Services Agreement”	the property management services agreement entered into between the Company and Binjiang Real Estate dated December 20, 2018, as amended and supplemented by the supplemental agreement dated October 9, 2020
“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”	November 27, 2020, 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 of the Company
“Mr. Qi”	Mr. Qi Jinxing (戚金興), one of the controlling Shareholders of the Company
“Mr. Zhu”	Mr. Zhu Huiming (朱慧明), one of the substantial shareholders of the Company
“Non-exempt CCT Agreements”	being (i) Supplemental Master Pre-delivery Management Services Agreement, (ii) 2021 Master Pre-delivery Management Services Agreement and (iii) 2021 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)
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Master Pre-delivery Management Services Agreement”	the supplemental agreement dated October 30, 2020 and entered into between the Company and Binjiang Real Estate, which amended and supplemented the Existing Master Pre-delivery Management Services Agreement
“%”	per cent.

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## PRECAUTIONARY MEASURES FOR THE EGM

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In view of the outbreak of coronavirus disease (COVID-19) pandemic (the “**COVID-19 Pandemic**”), to safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will implement the following precautionary measures at the EGM:

- Each attendee will be required to undergo a mandatory body temperature check and sign a health declaration form before entering the EGM venue. Any person with a body temperature above 37.4 degree Celsius, or exhibits flu-like symptoms, may be denied entry into the EGM venue and be required to leave the EGM venue.
- Shareholders, proxies and other attendees are required to comply with the latest epidemic prevention policy requirements of the PRC government and present the corresponding health certificate. Any person who does not comply with this requirement will be required to leave the EGM venue.
- Shareholders, proxies and other attendees are required to wear surgical face masks inside the EGM venue at all times. Any person who does not comply with this requirement will be required to leave the EGM venue.
- No refreshments will be served at the EGM.

Shareholders who are feeling unwell are advised not to attend the EGM.

**For the health and safety of our Shareholders, the Company would like to encourage its Shareholders to appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM, instead of attending the EGM in person.**

As the COVID-19 Pandemic continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate in order to minimise any risk to Shareholders and others attending the EGM and to comply with any requirements or recommendations of any government agencies from time to time. Shareholders are advised to check the Company’s website at <http://www.hzbjwy.com> for further announcements and updates on the EGM arrangements that may be issued.

The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of the COVID-19 Pandemic.

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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  
Jiangan District  
Hangzhou, China

*Principal Place of Business in Hong Kong:*

40th Floor, Sunlight Tower  
No. 248 Queen's Road East  
Wanchai, Hong Kong

November 30, 2020

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS  
REVISION OF ANNUAL CAP  
AND  
RENEWAL OF AGREEMENTS DUE TO EXPIRE IN 2020**

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated October 30, 2020 in relation to, amongst others, the revision of the annual cap in relation to a continuing connected transaction and the renewal of 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.



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## LETTER FROM THE BOARD

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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. REVISION OF ANNUAL CAP AND RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

#### **1. Supplemental Master Pre-delivery Management Services Agreement and 2021 Master Pre-delivery Management Services**

##### ***(a) Background***

Reference is made to the Prospectus in relation to, amongst others, the continuing connected transactions under the Existing Master Pre-delivery Management Services Agreement entered into between the Company and Binjiang Real Estate, and the annual caps thereunder.

##### ***(b) Revision of annual cap for 2020 under the Existing Master Pre-delivery Management Services Agreement***

Due to Binjiang Real Estate's rapid business expansion, the demand for pre-delivery management services from the Group increased. Therefore, the Directors found that the transaction amount under the Existing Master Pre-delivery Management Services Agreement is approaching the existing annual cap for the year ending December 31, 2020.

On October 30, 2020, the Company entered into the Supplemental Master Pre-delivery Management Services Agreement with Binjiang Real Estate to revise the existing annual cap for the year ending December 31, 2020 from RMB135.0 million to RMB210.0 million. Save for such revision in the annual cap, all other terms of the Existing Master Pre-delivery Management Services Agreement shall remain valid and in full force and effect.

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## LETTER FROM THE BOARD

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The revised annual cap is determined with reference to the following factors:

- (i) the unaudited actual transaction amounts under the Existing Property Management Services Agreement for the nine months ended September 30, 2020, being approximately RMB113.3 million, representing approximately 83.9% of the existing annual cap for the year ending December 31, 2020;
- (ii) the estimated total amount of pre-delivery management fees to be received by the Group based on signed contracts in relation to the existing pre-delivery projects that the Group has been engaged by Binjiang Real Estate Group as management service provider; and
- (iii) the estimated total amount of pre-delivery management fees to be received by the Group in relation to the projected new pre-delivery projects that the Group may be engaged by Binjiang Real Estate Group for property management services for the remaining year ended December 31, 2020.

The Board confirms that as at the Latest Practicable Date, the transaction amount for the Existing Master Pre-delivery Management Services Agreement has not exceeded the original annual cap for the year ending December 31, 2020.

***(c) Renewal of the Existing Master Pre-delivery Management Services Agreement***

As the Existing Master Pre-delivery Management Services Agreement will expire on December 31, 2020, and the Group is expected to carry on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Master Pre-delivery Management Services Agreement with Binjiang Real Estate on October 30, 2020.

***(i) Principal terms***

<b>Date:</b>	October 30, 2020
<b>Parties:</b>	The Company and Binjiang Real Estate
<b>Term:</b>	One year from January 1, 2021 and ending on December 31, 2021.

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## LETTER FROM THE BOARD

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**Subject matter:**

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.

**Pricing and other terms:**

The management fees to be charged by the Group under the 2021 Master Pre-delivery Management Services Agreement will be determined on arm's length basis, with reference to (i) the size, 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) and (iii) scope and quality of the services proposed. The fees payable by Binjiang Real Estate Group to the Group shall be no less favourable 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 2021 Master Pre-delivery Management Services Agreement.

*(ii) Historical amounts*

For the two years ended December 31, 2019 and the nine months ended September 30, 2020, the management fees paid to the Group under the Existing Master Pre-delivery Management Services Agreement amounted to approximately RMB58.1 million, RMB104.8 million and RMB113.3 million, respectively.

*(iii) Annual cap and basis of determination*

It is proposed that the annual cap for the transactions contemplated under the 2021 Master Pre-delivery Management Services Agreement for the year ending December 31, 2021 is not expected to exceed RMB270.0 million.

The above annual cap is arrived at based on (i) the historical transaction amounts under the Existing Master Pre-delivery Management Services Agreement and the revised annual cap under the Supplemental Master Pre-delivery Management Services Agreement; (ii) existing pre-delivery projects that the Group has been engaged by Binjiang Real Estate Group as management service

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## LETTER FROM THE BOARD

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provider; and (iii) new projects that the Group expects to be engaged by Binjiang Real Estate Group for the year ending December 31, 2021, based on the development plans of Binjiang Real Estate Group provided to the Group.

Taking into account of the pre-delivery management services provided to the existing projects of Binjiang Real Estate Group, the Company expects that the transaction amounts with Binjiang Real Estate Group under the 2021 Master Pre-delivery Management Services Agreement for the year ending December 31, 2021 will be higher than those under the Existing Master Pre-delivery Management Services Agreement and the Supplemental Master Pre-delivery Management Services Agreement.

*(iv) Reasons for and benefits of entering into the Supplemental Master Pre-delivery Management Services Agreement and the 2021 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. Under the Existing Master Pre-delivery Management Services Agreement, the Group has been able to secure pre-delivery management service engagements for properties developed by Binjiang Real Estate Group. In addition, based on the development plans of Binjiang Real Estate Group provided to the Group and the project acquisitions of the Group, the Company expects that there will be rapid growth in the demand for pre-delivery management services to be provided by the Group to Binjiang Real Estate Group in 2021.

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

## **2. 2021 Property Management Services Agreement**

### ***(a) Background***

Reference is made to the Prospectus and the announcement of the Company dated October 9, 2020 in relation to, amongst others, the continuing connected transactions under the Existing Property Management Services Agreement entered into between the Company and Binjiang Real Estate Group, and the revised annual cap thereunder. As the Existing Property Management Services Agreement will expire on December 31, 2020, and the Group is expected to carry on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Property Management Services Agreement with Binjiang Real Estate on October 30, 2020.

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## LETTER FROM THE BOARD

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*(b) Principal terms*

<b>Date:</b>	October 30, 2020
<b>Parties:</b>	The Company and Binjiang Real Estate
<b>Term:</b>	One year from January 1, 2021 and ending on December 31, 2021.
<b>Subject matter:</b>	The Group will provide to 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 2021 Property Management Services Agreement will be determined on arm's length basis, with reference to (i) the size, 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); (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 shall be no less favourable than those offered by any Independent Third Party.

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 2021 Property Management Services Agreement.

*(c) Historical amounts*

For the two years ended December 31, 2019 and the nine months ended September 30, 2020, the service fees paid to the Group under the Existing Property Management Services Agreement amounted to approximately RMB15.0 million, RMB14.5 million and RMB14.4 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 2021 Property Management Services Agreement for the year ending December 31, 2021 is not expected to exceed RMB50.0 million.

The above annual cap is arrived at based on (i) the historical management fees under the Existing Property Management Services Agreement and the revised annual cap under the Supplemental Property Management Services Agreement; (ii) the current residential and non-residential property units that the Group has been engaged by Binjiang Real Estate Group as property management service provider; and (iii) the projected new residential and non-residential property projects that the Group may be engaged by Binjiang Real Estate Group for property management services for the year ending December 31, 2021.

Based on the estimated pre-sale performance of Binjiang Real Estate Group and the development plans of Binjiang Real Estate Group provided to the Group, the Company expects that the demand for property management services will increase significantly in 2021 under the 2021 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 2021 Property Management Services Agreement for the year ending December 31, 2021 are expected to be higher than those under the Existing Property Management Services Agreement.

*(e) Reasons for and benefits of entering into the 2021 Property Management Services Agreement*

The Group has been providing property management services to Binjiang Real Estate Group for a number of years. 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 provided to the Group, the Company expects that the demand for property management services will increase rapidly in 2021 under the 2021 Property Management Services Agreement due to the increase in the expected GFA of the relevant residential and non-residential property units.

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

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## LETTER FROM THE BOARD

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### III. PRICING POLICY FOR CONTINUING CONNECTED TRANSACTIONS

As a general principle and taking into account regulatory guidance, the fees to be charged or paid by the Group under 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 certain general principles:

- (i) by reference to transacted prices of recent transactions with same or substantially similar services or products with comparable service scope, product nature, quality of services/products and transaction volume conducted by the Group with other customers/suppliers who are Independent Third parties;
- (ii) if there are not sufficient comparable transactions in (i) above, by reference to prevailing market price for recent transactions in the market with same or substantially similar services or products with comparable service scope, product type, quality of services or products 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 to/by Independent Third Parties by/to Binjiang Real Estate in respect of the same or substantially similar services or products with comparable service scope, product type, quality of services or products and transaction volume; and
- (iv) if none of (i), (ii) and (iii) 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.

Taking into account the above guiding principles and specifically with reference to the Company's industry:

- (a) With respect to the Supplemental Master Pre-delivery Management Services Agreement and the 2021 Master Pre-delivery Management Services Agreement, the service fees and payment terms for the provision of the pre-delivery management services to the Binjiang Real Estate Group shall be determined in accordance with an internal pre-determined guideline (the "**Guideline**"), which applies to pre-delivery management services provided to customers (including the Binjiang Real Estate Group and Independent Third Parties). In accordance with the Guideline, the sales department shall evaluate and determine the service fee for each of the pre-delivery management projects taking into account (i) the size, location and positioning of the properties involved; (ii) the scope and quality of the services proposed; and (iii) the Group's budgeted operational costs

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## LETTER FROM THE BOARD

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(including but not limited to labor costs, materials costs and administrative costs) for the provision of the required services. The sales department shall review the Guideline annually and update the pricing and other terms contained in the Guideline when appropriate with reference to the prevailing market price for the same or substantially similar services with comparable scope and quality. 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 existing 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.

- (b) With respect to the 2021 Property Management Services Agreement, the service fees and payment terms for the provision of property management services to the Binjiang Real Estate Group shall be determined after arm's length basis using the principles above. The service fees and payment terms offered to the Binjiang Real Estate Group shall be no more favourable than those offered to the Independent Third Parties for similar services. The proposed service fees and payment terms shall undergo a bidding process monitored by the real estate administrative department of the local governments. The successful tenderer will enter into a property management service agreement with Binjiang Real Estate.

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

To ensure that the actual prices for the continuing connected transactions of the Group are on normal commercial terms or better and on terms no less favourable to the Group than that 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 closely monitor the transactions 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



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## LETTER FROM THE BOARD

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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 than that available from Independent Third Parties;

- (3) the relevant personnel of the business department of the Group will conduct regular reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the fee charged for a specific transaction is fair and reasonable and is in accordance with the pricing policy;
- (4) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected 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
- (5) the independent non-executive Directors of the Company would 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. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Binjiang Real Estate is controlled by Mr. Qi, one of the controlling Shareholders of the Company, 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.

For the Supplemental Master Pre-delivery Management Services Agreement, according to Rule 14A.54 of the Listing Rules, the Company shall re-comply with the announcement and shareholders' approval requirements before the annual cap is exceeded.

For the Non-exempt CCT Agreements, 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.

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## LETTER FROM THE BOARD

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### VI. EGM

A notice of the EGM is set out on page 41 to 43 of this circular. The EGM will be convened and held at the Main Conference Room, Block 6, 36 Qingchun Road East, Jianggan District, Hangzhou, the PRC on Friday, December 18, 2020 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 Tuesday, December 15, 2020 to Friday, December 18, 2020, both days inclusive, during which period no transfer of Shares will be registered.

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 Monday, December 14, 2020, 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 is controlled by Mr. Qi, one of the controlling shareholders of the Company. As such, Mr. Qi and his associates 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 are shareholders of Binjiang Real Estate and substantial shareholders of the Company. As such, Mr. Mo, Mr. Zhu 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, Mr. Zhu, and their respective associates, none of the Shareholders has 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.

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## LETTER FROM THE BOARD

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### VII. 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.

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.

### VIII. INFORMATION ON THE PARTIES

#### **The Group**

The Group is a reputable property management service provider in China with a focus on high-end properties. The Group has three major business lines, namely property management services, value-added services to non-property owners and value-added services to property owners, together they form an entire value chain of comprehensive services covering all kinds of property management business.

#### **Binjiang Real Estate**

Binjiang Real Estate, a limited liability company established in the PRC, the shares of which are listed on the Shenzhen Small & Medium Enterprise Board of Stock Exchange (stock code: 002244) with its principal business in real estate development. Based on the 2020 interim report of Binjiang Real Estate, Binjiang Real Estate is owned as to 42.95% by Binjiang Holdings which is controlled by Mr. Qi, and 11.51% by Mr. Qi. The remaining shareholders of Binjiang Real Estate each holds less than 10% interest in it.

### IX. RECOMMENDATION

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on 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

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## LETTER FROM THE BOARD

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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 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. Your attention is drawn to the letter from the Independent Board Committee set out on pages 19 to 20 of this circular.

### **X. ADDITIONAL INFORMATION**

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 19 to 20 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 21 to 34 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)**

November 30, 2020

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS**

#### **(1) REVISION OF ANNUAL CAP**

**AND**

#### **(2) RENEWAL OF AGREEMENTS DUE TO EXPIRE IN 2020**

We refer to the circular of the Company to the Shareholders dated November 30, 2020 (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.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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 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.

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 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 and the respective proposed annual caps are on normal commercial terms or better, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Non-exempt CCT Agreements and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

**Mr. Ding Jiangang**

**Mr. Li Kunjun**

**Mr. 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

30 November 2020

*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 (i) the entering into of the Supplemental Master Pre-delivery Management Services Agreement to revise the existing annual cap for the year ending 31 December 2020 in respect of the transactions contemplated under the Existing Master Pre-delivery Management Services Agreement; and (ii) the entering into of the 2021 Master Pre-delivery Management Services Agreement and the 2021 Property Management Services Agreement 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 30 November 2020 (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 owned as to (i) 42.95% by Binjiang Holdings, a company controlled by Mr. Qi who is the controlling shareholder of the Company; (ii) 11.51% by Mr. Qi; (iii) 3.22% by Mr. Mo, a non-executive Director who is interested in a 12.89% equity interest in the Company; and (iv) 3.22% by Mr. Zhu who is interested in a 12.89% equity interest in the Company. By virtue of Mr. Qi’s interests in Binjiang Real Estate, Binjiang Real Estate is a connected person of the Company under the Listing Rules. The transactions contemplated under

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## LETTER FROM OPTIMA CAPITAL

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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.

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. Mr. Qi, Mr. Mo, Mr. Zhu and their respective associates shall abstain from voting on the resolutions approving the Non-exempt CCT Agreements at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquires, save as disclosed above, no other Shareholder is required to abstain from voting 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 are fair and reasonable, 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 the Latest Practicable Date, neither Optima Capital nor persons stipulated under Rule 13.84(4) of the Listing Rules had any current business 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 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



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## LETTER FROM OPTIMA CAPITAL

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accuracy of the information provided. We have not, however, conducted any independent investigation into the business 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 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 China 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 value-added services to property owners. Property management services include security, cleaning, gardening, repair, maintenance and ancillary services. Value-added services to non-property owners, mainly to property developers, include (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 advertisement companies with regard to advertisement placements in the community spaces and managing community venue in the properties managed by the Group. Value-added services to property owners mainly include home living services, customised home furnishing services, property agency service as well as car park space and store room sales.

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

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 and Binjiang Real Estate.

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## LETTER FROM OPTIMA CAPITAL

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### 2. Supplemental Master Pre-delivery Management Services Agreement and 2021 Master Pre-delivery Management Services Agreement

#### *Background*

As disclosed in the Prospectus, the Group had provided pre-delivery management services to the Binjiang Real Estate Group for a number of years. In 2018, the Company entered into the Existing Pre-delivery Management Services Agreement, which will expire on 31 December 2020, with Binjiang Real Estate to regulate the transactions with the Binjiang Real Estate Group in relation to the provision of pre-delivery management services. Due to the rapid business expansion of the Binjiang Real Estate Group, the demand for pre-delivery management services from the Group increased. The Directors noted that the actual transaction amount under the Existing Pre-delivery Management Services Agreement for the nine months ended 30 September 2020 was approximately RMB113.3 million, which is approaching the existing annual cap of RMB135.0 million (the “**Existing 2020 Pre-delivery Annual Cap**”). As such, the Company entered into the Supplemental Master Pre-delivery Management Services Agreement with Binjiang Real Estate on 30 October 2020 to revise the Existing 2020 Pre-delivery Annual Cap to RMB210 million (the “**Revised 2020 Pre-delivery Annual Cap**”). Save for the revision of the annual cap, all other terms of the Existing Master Pre-delivery Management Services Agreement shall remain valid in full force and effect. As it is expected that the Group will continue to provide pre-delivery management services to the Binjiang Real Estate Group, the Company also entered into the 2021 Master Pre-delivery Management Services Agreement with Binjiang Real Estate on 30 October 2020 to regulate the transactions in relation to the provision of pre-delivery management services during the one-year period ending 31 December 2021. Save for the periods covered under the respective agreements and the annual caps, the terms of the 2021 Master Pre-delivery Management Services Agreement are literally identical to those under the Existing Master Pre-delivery Management Services Agreement.

#### *Scope of services*

Pursuant to the Existing Master Pre-delivery Management Services Agreement and the 2021 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.

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## LETTER FROM OPTIMA CAPITAL

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### *Pricing and other terms*

The management fees to be charged by the Group under the Existing Master Pre-delivery Management Services Agreement and the 2021 Master Pre-delivery Management Services Agreement will be determined on arm's length basis with reference to (i) the size, location and positioning of the properties involved; (ii) the scope and quality of the services proposed; and (iii) the Group's budgeted operational costs (including but not limited to labor costs, material costs and administrative costs) for the provision of the required services. The service fee and the payment terms for the provision of the pre-delivery management services offered by the Group to the Binjiang Real Estate Group shall be no less favourable to the Group than those offered to any Independent Third Parties for similar services.

The parties will separately enter into pre-delivery management services agreement in respect of each pre-delivery management project subject to the terms of the Existing Master Pre-delivery Management Services Agreement, the Supplemental Master Pre-delivery Management Services Agreement and the 2021 Master Pre-delivery Management Services Agreement.

We note that the Group has adopted the following general principles for the pricing policy of continuing connected transactions (the "**General Pricing Policy**") to be conducted by the Group:

- (a) by reference to transacted prices of recent transactions with same or substantially similar services or products with comparable service scope, product type, quality of services or products 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, product type, quality of services or products 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 connected persons in respect of the same or substantially similar services or products with comparable service scope, product type, quality of services or products 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.

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## LETTER FROM OPTIMA CAPITAL

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We consider the General Pricing Policy sets out the general principles to ensure that the terms of all continuing connected transactions with the Binjiang Real Estate Group are on normal commercial terms which are no less favourable to the Group than those available from Independent Third Parties. As advised by the Management, the Group has drawn up a pricing guideline in accordance with the General Pricing Policy specifically for the provision of pre-delivery management services (the “**Guideline**”). The Guideline sets out in detail the service fees to be charged by the Group for each type of property taking into account (i) the size, location and positioning of the properties involved; (ii) the scope and quality of the services proposed; (iii) the Group’s budgeted operational costs (including but not limited to labor costs, materials costs and administrative costs) for the provision of the required services. 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 prices for the same or substantially similar services with comparable scope and quality. The Guideline is applicable to all the pre-delivery management services provided to the Binjiang Real Estate Group and Independent Third Parties. 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 existing 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.

Having taken into account (i) the General Pricing Policy in place; (ii) the above procedures adopted by the Group to determine the service fee and payment terms; (iii) the Guideline will be applicable to all the pre-delivery management services provided to the Binjiang Real Estate Group and Independent Third Parties; and (iv) the internal control mechanisms in place as set out in the section headed “Internal controls” below, we are of the view that the terms of the Supplemental Master Pre-delivery Management Services Agreement and the 2021 Master Pre-delivery Management Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

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**LETTER FROM OPTIMA CAPITAL**

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*The Revised 2020 Pre-delivery Annual Cap and the 2021 Pre-delivery Annual Cap*

The table below sets out the existing annual caps for the year ended 31 December 2019 and the year ending 31 December 2020 under the Existing Pre-delivery Management Services Agreement, the Revised 2020 Pre-delivery Annual Cap, the proposed annual cap the year ending 31 December 2021 (the “**2021 Pre-delivery Annual Cap**”) and the historical transaction amounts for the two years ended 31 December 2018 and 2019 and nine months ended 30 September 2020:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>	<b>For the year ending 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Existing annual caps		105.0	135.0	N.A.
Revised 2020 Pre-delivery Annual Cap and 2021 Pre-delivery Annual Cap			210.0	270.0
Historical transaction amounts	58.1	104.8	113.3 (for the nine months ended 30 September 2020)	N.A.

As shown in the table above, the historical transaction amount increased by approximately 80.4% from approximately RMB58.1 million for the year ended 31 December 2018 to approximately RMB104.8 million for the year ended 31 December 2019. Also, the transaction amount for the nine months ended 30 September 2020 of approximately RMB113.3 million had exceeded the amount for the year ended 31 December 2019. 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. As disclosed in the 2019 annual report and the 2020 interim report of Binjiang Real Estate, the Binjiang Real Estate Group had acquired land bank with developable gross floor area (“**Developable GFA**”) of approximately 2.95 million square metres and approximately 3.14 million square metres during the year ended 31 December 2019 and the six months ended 30 June 2020 respectively and had land bank with Developable GFA of approximately 12.6 million square metres as at 30 June 2020. As advised by the Management, it is expected 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 development plan provided by Binjiang Real Estate regarding

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## LETTER FROM OPTIMA CAPITAL

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property projects which are expected to be completed during the year ending 31 December 2021; 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.

Based on our discussions with the Management, we understand that the Revised 2020 Pre-delivery Annual Cap is determined with reference to (i) the unaudited actual transaction amount under the Existing Master Pre-delivery Management Services Agreement recognised by the Group during the nine months ended 30 September 2020 of approximately RMB113.3 million, representing approximately 83.9% of the Existing 2020 Pre-delivery Annual Cap; (ii) the estimated amount of pre-delivery management fees to be recognised by the Group during the three-month period ending 31 December 2020 based on signed contracts in relation to existing projects for which the Group has been engaged by the Binjiang Real Estate Group as pre-delivery management service provider; and (iii) an additional buffer of 10% (the "**10% Buffer**") on top of the forecast transaction amount for the three-month period ended 31 December 2020.

Similar to the Revised 2020 Pre-delivery Annual Cap, based on our discussions with the Management, we understand that the 2021 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 2021 based on signed contracts in relation to the existing projects for which the Group has been engaged by the Binjiang Real Estate Group as pre-delivery management service provider; (iii) the estimated total amount of pre-delivery management fees to be recognised by the Group during the year ending 31 December 2021 in relation to prospective projects for which the Group is expected to be engaged by the Binjiang Real Estate Group as pre-delivery management service provider; and (iv) the 10% Buffer on top of the forecast transaction amount for the year ending 31 December 2021.

We have reviewed the schedule prepared by the Company for the purpose of estimating the Revised 2020 Pre-delivery Annual Cap and the 2021 Pre-delivery Annual Cap and the property project development plans provided by Binjiang Real Estate to the Group, and note that the Revised 2020 Pre-delivery Annual Cap and the 2021 Pre-delivery Annual Cap have been determined on the above bases. We are also of the view that the 10% Buffer incorporated in the Revised 2020 Pre-delivery Annual Cap and the 2021 Pre-delivery Annual Cap is reasonable, having considered that the 10% Buffer is moderate and it allows some extent of flexibility to 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 Revised 2020 Pre-delivery Annual Cap and the 2021 Pre-delivery Annual Cap are fair and reasonable.

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## LETTER FROM OPTIMA CAPITAL

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### 3. The 2021 Property Management Services Agreement

#### *Background*

As disclosed in the Prospectus, the Group provided property management services to the Binjiang Real Estate Group for their unsold residential and non-residential property units for a number of years. In 2018, the Company entered into the Existing Property Management Services Agreement, which will expire on 31 December 2020, with Binjiang Real Estate to regulate the transactions with the Binjiang Real Estate Group in relation to the provision of property management services. Due to the expansion of business of the Binjiang Real Estate Group which resulted in an increased demand for the Group's property management services, the Company entered into a supplemental property management services agreement with Binjiang Real Estate on 9 October 2020 to revise the annual cap for the year ending 31 December 2020 from RMB16.0 million to RMB30.0 million. As it is expected that the Group will continue to provide property management services to the Binjiang Real Estate Group, the Company also entered into the 2021 Property Management Services Agreement with Binjiang Real Estate on 30 October 2020 to regulate the transactions in relation to the provision of property management services during the one-year period ending 31 December 2021. Save for the periods covered under the respective agreements and the annual caps, the terms of the 2021 Property Management Services Agreement are literally identical to those under the Existing Property Management Services Agreement.

#### *Scope of services*

Pursuant to the 2021 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*

The service fees to be charged by the Group under the 2021 Property Management Services Agreement will be determined on arm's length basis with reference to (i) the size, location and positioning of the properties involved; (ii) the scope and quality of the services proposed; (iii) the Group's budgeted operational costs (including but not limited to labor costs, materials costs and administrative costs) for the provision of the required services; (iv) local government's pricing guidance/regulations on property management fees (where applicable); and (v) evaluation of competitors' pricing. The service fees and the payment terms for the provision of the property management services 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.

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## LETTER FROM OPTIMA CAPITAL

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The parties will separately enter into property management services agreement in respect of each property management project subject to the terms of the 2021 Property Management Services Agreement.

As advised by the Management, the service fee and payment terms for the provision of property management services to the Binjiang Real Estate Group shall be determined after arm's length basis and in compliance with the General Pricing Policy. In this respect, reference is made to at least two recent comparable transactions for the same or substantially similar services with comparable scope and quality offered by the Group to the Independent Third Parties. In any event, the service fee and payment terms offered to the Binjiang Real Estate Group shall be no more favourable to the Binjiang Real Estate Group than those offered to the Independent Third Parties for similar services. According 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 (Regulation on Property Management and Interim Measures for Bid-Inviting and Bidding Management of 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 represent 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 engage qualified property management enterprise through direct agreement with the prior approval of the Real Estate Department.

Having taken into account (i) the General Pricing Policy in place; (ii) the above procedures (including the Tender Process) adopted by the Group to determine the service fee and payment terms; and (iii) the internal control mechanisms in place as set out in the section headed “Internal controls” below, we are of the view that the price and other terms of the 2021 Property Management Services Agreement are fair and reasonable so far as the Independent Shareholders are concerned.



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**LETTER FROM OPTIMA CAPITAL**

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*Existing annual caps and the 2021 Property Management Annual Cap*

The table below sets out the existing annual caps for the year ended 31 December 2019 and the year ending 31 December 2020, the proposed annual cap for the year ending 31 December 2021 (the “**2021 Property Management Annual Cap**”) and the historical transaction amounts for the two years ended 31 December 2018 and 2019 and the nine months ended 30 September 2020:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>	<b>For the year ending 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Existing annual caps		15.0	30.0	N.A.
2021 Property Management Annual Cap				50.0
Historical transaction amounts	15.0	14.5	14.4 (for the nine months ended 30 September 2020)	N.A.

As shown in the table above, the historical transaction amount remained stable for the year ended 31 December 2019 as compared to the year ended 31 December 2018. However, the transaction amount for the nine months ended 30 September 2020 of approximately RMB14.4 million had almost exceeded the amount for the year ended 31 December 2019. 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. 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 development plan provided by Binjiang Real Estate regarding property projects which are expected to be completed during the year ending 31 December 2021; (ii) the estimated pre-sale performance of the Binjiang Real Estate Group; and (iii) the Group’s ability to secure property management services projects of the Binjiang Real Estate Group given the long term business relationship between the Group and Binjiang Real Estate.

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## LETTER FROM OPTIMA CAPITAL

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Based on our discussions with the Management, we understand that the 2021 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 2021 based on signed contracts in relation to the existing projects for which the Group has been engaged by the Binjiang Real Estate Group as property management service provider; (iii) the estimated total amount of property management fees to be recognised by the Group during the year ending 31 December 2021 in relation to prospective projects for which the Group is expected to be engaged by the Binjiang Real Estate Group as property management service provider; and (iv) the 10% Buffer on top of the forecast transaction amount for the year ending 31 December 2021.

We have reviewed the schedule prepared by the Company for the purpose of estimating the 2021 Property Management Annual Cap and the property project development plans provided by Binjiang Real Estate to the Group, and note that the 2021 Property Management Annual Cap has been determined on the above bases. We are also of the view that the 10% Buffer incorporated in the 2021 Property Management Annual Cap is reasonable, having considered that the 10% Buffer is moderate and it allows some extent of flexibility to 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 2021 Property Management Annual Cap is fair and reasonable.

#### **4. Internal controls**

To ensure that the terms for 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 Non-exempt CCT Agreements in accordance with the aforesaid pricing policy:

- (a) the relevant personnel of the sales department and finance department will closely monitor the Transactions to ensure that the transaction amount does not exceed the relevant annual caps under the 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 Non-exempt CCT Agreements, particularly the service fee and payment terms are no less favourable to the Group than those available from Independent Third Parties;

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## LETTER FROM OPTIMA CAPITAL

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- (c) the relevant personnel of the sales department of the Group will conduct regular reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the fee charged for a specific Transaction is fair and reasonable and is in accordance with the pricing policy;
- (d) the auditors of the Company shall conduct annual reviews on pricing and annual caps of the Transactions to ensure that the transaction amount is within the annual caps and that the Transactions are conducted on the principal terms of the Non-exempt CCT Agreements; and
- (e) the independent non-executive Directors of the Company would 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 governing the Group's transactions with the Binjiang Real Estate Group 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 noted from the annual reports of the Company for the two years ended 31 December 2018 and 2019 that the auditor of the Company has 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 and confirmed that each of the continuing connected transactions (including the Transactions) of the Group during the relevant years has been (i) entered into 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 Company and 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 and to safeguard the interests of the Shareholders and of the Company as a whole.

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## LETTER FROM OPTIMA CAPITAL

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### OPINION

Having considered the abovementioned principal factors and reasons, we consider that (i) the terms of the Non-exempt CCT Agreements (including the Revised 2020 Pre-delivery Annual Cap, the 2021 Pre-delivery Annual Cap and the 2021 Property Management Annual Cap) are on normal commercial terms 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**

*Associate Director, Corporate Finance*

*Mr. Calvin Cheng is a responsible officer of Optima Capital Limited 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.*

## 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, each of Jovial Success Global Holdings Limited (“**Jovial Success**”) and Haoyu Ventures Limited (“**Haoyu**”) hold 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 a trustee of each Splendid Force Trust and Great Splendor Trust, respectively. Splendid Force Trust is a discretionary trust set out by Mr. Zhu as settlor on 19 November 2018. The beneficiaries of the Splendid Force

Trust include Mr. Zhu and certain family members of Mr. Zhu. Great Splendor Trust is a discretionary trust set out by Mr. Mo as settlor on 19 November 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 <sup>(2)</sup>	Settlor of a discretionary trust and interest in controlled corporation	35,640,000	Long position	12.89%

**APPENDIX****GENERAL INFORMATION**

<b>Name of Shareholder</b>	<b>Capacities/ Nature of interest</b>	<b>Number of Shares</b>	<b>Long/Short position/ Lending pool</b>	<b>Approximate percentage of shareholding</b>
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%
Mr. Mo <sup>(2)</sup>	Settlor of a discretionary trust and interest in controlled corporation	35,640,000	Long position	12.89%
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 holds 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 hold 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 as settlor on November 19, 2018. The beneficiaries of the Splendid Force Trust include Mr. Zhu and certain family members of Mr. Zhu. 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 has 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 2019 (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 are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, 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 in the form and context in which they respectively appear.

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 31 December 2019 (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, Jianggan District, Hangzhou, PRC.
- (d) The principal place of business of the Company in Hong Kong is at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong.

- (e) Ms. Zhong Ruoqin and Ms. Ko Mei Ying are the joint company secretaries of the Company. Ms. Ko 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 AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the place of business of Morrison & Foerster, the company's legal adviser, at 33/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and Articles of Association of the Company;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 19 to 20;
- (c) the letter from Optima Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 21 to 34;
- (d) the Supplemental Master Pre-delivery Management Services Agreement;
- (e) the 2021 Master Pre-delivery Management Services Agreement;
- (f) the 2021 Property Management Services Agreement;
- (g) the written consent from Optima Capital referred to in the paragraph headed "Qualification and Consent of Expert" in this Appendix; and
- (h) this circular.

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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, Jianggan District, Hangzhou, the PRC on Friday, December 18, 2020 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 Supplemental Master Pre-delivery Management Services Agreement (“**Supplemental Master Pre-delivery Management Services Agreement**”) dated October 30, 2020 entered into between the Company and Hangzhou Binjiang Real Estate Group Co., Ltd.\* (“**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 revised annual cap under the Supplemental Master Pre-delivery Management Services Agreement as set out in the circular of the Company dated November 30, 2020 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 Supplemental 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 2021 Master Pre-delivery Management Services Agreement (the **“2021 Master Pre-delivery Management Services Agreement”**) dated October 30, 2020 entered into 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 2021 Master Pre-delivery Management Services Agreement as set out in the circular of the Company dated November 30, 2020 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 2021 Master Pre-delivery Management Services Agreement and the transactions respectively contemplated thereunder.”

3. **“THAT:**

- (a) the 2021 Property Management Services Agreement (**“2021 Property Management Services Agreement”**) dated October 30, 2020 between the Company and Binjiang Real Estate, a copy of which is tabled at the meeting and marked **“C”** 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 2021 Property Management Services Agreement as set out in the circular of the Company dated November 30, 2020 be and is hereby approved, confirmed and ratified; and

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## NOTICE OF EGM

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- (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 2021 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, November 30, 2020

*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 Wednesday, December 16, 2020) or any adjournment thereof.
- (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 Tuesday, December 15, 2020 to Friday, December 18, 2020 (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 Friday, December 18, 2020, 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 Monday, December 14, 2020.

*As at the date of this circular, the Board comprises Mr. Zhu Lidong and Ms. Zhong Ruoqin as executive Directors; Mr. Mo Jianhua and Mr. Cai Xin as non-executive Directors; Mr. Ding Jiangan, Mr. Li Kunjun and Ms. Cai Haijing as independent non-executive Directors.*

\* *For identification purposes only*