

# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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 **Jinmao Property Services Co., Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or 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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## JINMAO PROPERTY SERVICES CO., LIMITED

### 金茂物業服務發展股份有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00816)

## REVISION OF ANNUAL CAPS AND EXPANSION OF SCOPE OF PROPERTY MANAGEMENT SERVICES UNDER THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

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



A letter from the Board is set out on pages 4 to 13 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from Opus Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 33 of this circular.

A notice convening the EGM to be held at 6F, YouAn International Tower, Unit 2, Xitieying Middle Avenue, Fengtai District, Beijing, the PRC on Monday, 12 December 2022 at 10:00 a.m. is set out on pages 39 to 40 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

#### PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

To safeguard the health and safety of the Shareholders and to prevent the spreading of the novel coronavirus pandemic, the following precautionary measures will be implemented at the meeting:

- (1) Compulsory temperature checks and the body temperature shall not be higher than 37.3°C
- (2) Scan a QR code for registration with his/her information through the applet, "Beijing Jiankangbao (北京健康寶)", and the result should be normal
- (3) Communication Big Data Itinerary Card (通信大數據行程卡) checks
- (4) Negative nucleic acid test certificate issued within 24 hours (i.e. time before the convening of the meeting)
- (5) Wearing of surgical face mask

For the health and safety of the Shareholders, the Company would like to encourage the Shareholders to exercise their right to vote at the meeting by appointing the chairman of the meeting as their proxy instead of attending the meeting in person.

Due to the constantly evolving novel coronavirus pandemic situation, the Company may be required to change the meeting arrangements at short notice. Shareholders should check the HKExnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.jinmaow.com>) for further announcements and updates on the meeting arrangements.

24 November 2022

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the meanings respectively set opposite to them:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Jinmao”	China Jinmao Holdings Group Limited (中國金茂控股集團有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00817)
“Company”	Jinmao Property Services Co., Limited (金茂物業服務發展股份有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00816)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at 6F, YouAn International Tower, Unit 2, Xitieying Middle Avenue, Fengtai District, Beijing, the PRC on Monday, 12 December 2022 at 10:00 a.m.
“Existing Annual Cap(s)”	the existing annual caps for the two years ending 31 December 2022 and 2023 under the Property Management Services Framework Agreement as set out in the Prospectus
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely, Dr. Chen Jieping, Dr. Han Jian and Mr. Sincere Wong
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement)
“Independent Shareholders”	Shareholders other than China Jinmao and its associates
“Jinmao Connected Persons”	China Jinmao and its associates (excluding, for the avoidance of doubt, the Group)
“Jinmao Group”	China Jinmao and its subsidiaries
“Latest Practicable Date”	18 November 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Property Management Services Framework Agreement”	the property management services framework agreement dated 21 February 2022 entered into by and between the Company and China Jinmao
“Prospectus”	the prospectus of the Company dated 25 February 2022
“Revised Annual Cap(s)”	the revised annual caps for the two years ending 31 December 2022 and 2023 under the Supplemental Agreement
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of ordinary share(s) of the Company
“Sinochem Corporation”	Sinochem Corporation (中國中化股份有限公司), a company with limited liability incorporated under the laws of the PRC, the holding company of Sinochem Hong Kong and a wholly-owned subsidiary of Sinochem Group
“Sinochem Group”	Sinochem Group Co., Ltd. (中國中化集團有限公司), a state-owned enterprise incorporated in the PRC, the holding company of Sinochem Corporation and a wholly-owned subsidiary of Sinochem Holdings
“Sinochem Holdings”	Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司), a state-owned enterprise incorporated in the PRC, which is wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Sinochem Hong Kong”	Sinochem Hong Kong (Group) Company Limited (中化香港(集團)有限公司), a company incorporated in Hong Kong with limited liability, the immediate controlling shareholder of China Jinmao holding approximately 35.27% of its total issued shares, and a wholly-owned subsidiary of Sinochem Corporation
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the Property Management Services Framework Agreement dated 25 October 2022 entered into between the Company and China Jinmao
“%”	percent

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LETTER FROM THE BOARD

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**JINMAO PROPERTY SERVICES CO., LIMITED**

**金茂物業服務發展股份有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00816)**

***Non-executive Directors***

Mr. Jiang Nan (*Chairman of the Board*)

Ms. He Yamin

Ms. Qiao Xiaojie

***Executive Directors***

Mr. Xie Wei (*Chief Executive Officer*)

Ms. Zhou Liye (*Chief Financial Officer*)

***Independent Non-executive Directors***

Dr. Chen Jieping

Dr. Han Jian

Mr. Sincere Wong

***Registered Office***

Rooms 4702-03, 47/F

Office Tower Convention Plaza

1 Harbour Road

Wanchai

Hong Kong

***Corporate Headquarters and  
Principal Place of Business in  
the PRC***

6F, YouAn International Tower

Unit 2, Xitieying Middle Avenue

Fengtai District

Beijing

PRC

24 November 2022

*To the shareholders*

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS  
AND  
EXPANSION OF SCOPE OF PROPERTY MANAGEMENT SERVICES  
UNDER THE PROPERTY MANAGEMENT SERVICES  
FRAMEWORK AGREEMENT**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 25 October 2022 in relation to the continuing connected transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), which are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with (i) further information on the details of the Property Management Services Framework Agreement (as revised by the Supplemental Agreement); (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter from Opus Capital to the Independent Board Committee and the Independent Shareholders; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules.

### **CONTINUING CONNECTED TRANSACTIONS UNDER THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT (AS REVISED BY THE SUPPLEMENTAL AGREEMENT)**

Reference is made to the section headed “Connected Transactions” of the Prospectus in relation to, among others, the Property Management Services Framework Agreement entered into between the Company and China Jinmao on 21 February 2022. Pursuant to the Property Management Services Framework Agreement, the Group is providing and will continue to provide property management services to the Jinmao Connected Persons up to 31 December 2023.

The Board expects that the Existing Annual Caps under the Property Management Services Framework Agreement as set out in the Prospectus will be insufficient for each of the two years ending 31 December 2022 and 2023, and the scope of the property management services under the Property Management Services Framework Agreement cannot fully meet the business needs of the parties. As such, on 25 October 2022 (after trading hours), the Company and China Jinmao entered into the Supplemental Agreement to revise the Existing Annual Caps for each of the two years ending 31 December 2022 and 2023, and to expand the scope of the property management services under the Property Management Services Framework Agreement as further described below under the paragraphs headed “Principal Terms of the Property Management Services Framework Agreement (as Revised by the Supplemental Agreement) – Scope of Services”.

Save for the revision of annual caps and the expansion of scope of the property management services, other terms of the Property Management Services Framework Agreement shall remain unchanged and in full force and effect.

### **Principal Terms of the Property Management Services Framework Agreement (as Revised by the Supplemental Agreement)**

#### *Parties*

The Company

China Jinmao

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## LETTER FROM THE BOARD

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### *Scope of Services*

China Jinmao has recently developed a reward program whereby customers of Jinmao Group can earn reward points for money spent on transactions with Jinmao Group, such as purchasing properties developed by Jinmao Group and booking hotel rooms owned by Jinmao Group, and redeem the reward points to pay all or part of their selected products or services, which may include the property management fees payable to the Group. For the property management fees which have been paid by property owners and residents by redeeming the reward points, China Jinmao or its designated subsidiaries will reimburse the equivalent amount of such property management fees to the Group in cash.

As a result of the launch of such reward program, the scope of the property management services under the Property Management Services Framework Agreement will be expanded by the Supplemental Agreement to include not only (i) property management services to the Jinmao Connected Persons, in respect of property units developed by the Jinmao Connected Persons which have been sold but not yet been delivered to the buyers of such property units, and properties owned, used or operated by the Jinmao Connected Persons, but also (ii) those services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points they earned through the reward program.

### *Pricing Policies*

The fees payable by the Jinmao Connected Persons to the Group in respect of the property management services under the Property Management Services Framework Agreement shall be determined on arm's length basis with reference to the following:

- (i) the size and location of the relevant properties;
- (ii) the scope and standards of the property management services;
- (iii) the expected operational costs (including, among others, labor costs, material costs and administrative costs) of the Group in relation to the provision of the property management services; and
- (iv) the fees charged by other property management service providers for similar services in respect of similar types of properties in the market. The fees charged by the Group to the Jinmao Connected Persons shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by the Group to the Jinmao Connected Persons shall not be less favorable to the Group than the terms offered by the Group to independent customers for the same or similar type and scope of property management services. Some local branches of the National Development and Reform Commission (the "NDRC") have set standard rates or guidance prices for the provision of property management services in respect of certain types of properties within their jurisdictions, which are published on the official websites of the local governments and may be updated by the local branches of the NDRC from time to time.



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## LETTER FROM THE BOARD

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For the services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points as described in the Supplemental Agreement, Jinmao Group will reimburse the equivalent amount of such property management fees to the Group in cash on a dollar-to-dollar basis.

### *Term*

The Supplemental Agreement shall become effective after the approval from the Independent Shareholders is obtained at the EGM. The Property Management Services Framework Agreement (as revised by the Supplemental Agreement) will expire on 31 December 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable law and regulations.

### Revision of Annual Caps

The table below sets out the historical aggregate transaction amounts for the provision of property management services charged by the Group to the Jinmao Connected Persons for the two years ended 31 December 2020 and 2021 and the six months ended 30 June 2022:

	Year ended 31 December 2020 RMB'000	Year ended 31 December 2021 RMB'000	Six months ended 30 June 2022 RMB'000
<b>Amount of fees charged by the Group for the provision of property management services</b>	62,125	104,246	70,213

The table below sets out the Existing Annual Caps and the Revised Annual Caps under the Property Management Services Framework Agreement and the Supplemental Agreement, respectively:

	Year ending 31 December	
	2022 RMB'000	2023 RMB'000
<b>Existing Annual Caps</b>	140,000	182,000
<b>Revised Annual Caps</b>	200,000	250,000

The Revised Annual Caps are determined after taking into account the following factors:

- (i) the historical transaction amounts in respect of the property management services and the significant increase in the transaction amount in 2022. As at 30 June 2022, over 50% of the Existing Annual Cap for the year ending 31 December 2022 had been utilised;

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## LETTER FROM THE BOARD

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- (ii) the estimated revenue to be recognised based on the existing signed contracts with the Jinmao Connected Persons. As at 30 June 2022, the Group was contracted to manage 81 properties developed by the Jinmao Connected Persons which were yet to be delivered with a total contracted GFA of approximately 19.19 million sq.m.;
- (iii) approximately 86 property management projects that are expected to be awarded by the Jinmao Connected Persons to the Group for the two years ending 31 December 2022 and 2023 based on the property development plan and the estimated delivery schedule of the Jinmao Connected Persons. It is expected that approximately 2.5 million sq.m. and 6.1 million sq.m. of additional GFA will be delivered by Jinmao Group in the fourth quarter of 2022 and the year ending 31 December 2023, respectively, which may require the property management services from the Group;
- (iv) the scope of the property management services as expanded by the Supplement Agreement to include those services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points they earned through the reward program launched by China Jinmao. As Jinmao Group will reimburse the equivalent amount of such property management fees to the Group in cash, the amount of fees receivable from the Jinmao Connected Persons is expected to increase, which also contributes to the expected increase in the annual caps. In estimating the amount of such fees to be paid by the Jinmao Connected Persons for services provided to property owners and residents, the Group has made reference to its revenue generated from the property management services provided to the independent third parties for the six months ended 30 June 2022 of approximately RMB446,888,000, and assumed that approximately 2% of the property management fees payable by the independent third parties for the two years ending 31 December 2022 and 2023 would be reimbursed by Jinmao Group pursuant to the reward program. The Company currently expects that the annual amount to be reimbursed by Jinmao Group under the reward program will account for no more than 10% of the Revised Annual Caps for the two years ending 31 December 2022 and 2023. If the actual amount of fees reimbursed by Jinmao Group under the reward program exceeds the Company's expectation, resulting in the Revised Annual Caps being insufficient for the remainder of the relevant year, the Company will perform necessary procedures to comply with the applicable Listing Rules requirements;
- (v) the business expansion of the Group. The Group has achieved rapid growth of its contracted GFA and GFA under management in recent years. As at 30 June 2022, the Group's contracted GFA was approximately 69.6 million sq.m., and GFA under management was approximately 45.5 million sq.m., representing an increase of approximately 57.8% and approximately 128.6%, respectively, as compared to those of 30 June 2021. In particular, since 2022, the Group has started to provide property management services for more office buildings operated by Jinmao Group, which has further increased the amount of transactions with the Jinmao Connected Persons; and

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## LETTER FROM THE BOARD

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- (vi) a buffer of 10% to cater for any additional demand of the Jinmao Connected Persons for the property management services.

As at Latest Practicable Date, the transaction amount for the provision of property management services under the Property Management Services Framework Agreement has not exceeded the Existing Annual Cap for the year ending 31 December 2022.

### **Internal Control Procedures and Corporate Governance Measures**

The Group has adopted the following internal control and corporate governance measures to ensure that the terms of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are fair and reasonable and not prejudicial to the interests of the Company and the Independent Shareholders:

- the business department of the Company will oversee the monitoring, collection and evaluation of historical transaction prices and market data, including but not limited to the market practices and prevailing market rates for the provision of property management services in respect of similar types of properties in comparable locations;
- when determining the fees payable by the Jinmao Connected Persons to the Group under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), the Group will make reference to the prevailing market conditions and practices by utilising the market data collected by the business department as mentioned in the preceding paragraph, as well as the pricing and terms offered by the Group to independent third parties, to ensure that the terms and conditions offered to the Jinmao Connected Persons are fair and reasonable and are no less favorable to the Group than those offered to independent third parties for comparable services. Specifically, the business department of each regional center of the Group is responsible for the initial pricing of the fees payable by the Jinmao Connected Persons to the Group with respect to the projects within the region after taking into accounts the aforementioned factors, which will then be submitted to the headquarters of the Group for final review and approval;
- the Group will independently evaluate the projects developed by the Jinmao Connected Persons, including the size and location of the relevant projects, the scope and standards of the services required and the expected operational costs for providing such services, before taking on any particular project;

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## LETTER FROM THE BOARD

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- various internal departments of the Company (including but not limited to the finance department and legal department) will monitor the implementation of the continuing connected transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) and keep track of the aggregate transaction amounts on a monthly basis, to ensure that the pricing principles and annual caps are complied with;
- the independent non-executive Directors will conduct an annual review of the continuing connected transactions and provide an annual confirmation as to whether these transactions are conducted on normal commercial terms or better, and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- the Company's external auditors will also conduct an annual review of the continuing connected transactions, including the pricing policies and the annual caps.

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS CONTEMPLATED UNDER THE PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT (AS REVISED BY THE SUPPLEMENTAL AGREEMENT)**

The Group has been providing property management services to the Jinmao Connected Persons for over 20 years. Considering the long-standing business relationship between the Group and the Jinmao Connected Persons, and the mutual understanding of the standards, requirements and specific needs of each other, the Group will continue to provide property management services to the Jinmao Connected Persons pursuant to the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), which can bring stable income and profit to the Group and facilitate the business development of the Group.

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) have been conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the Revised Annual Caps are fair and reasonable.

As Mr. Jiang Nan, Ms. He Yamin and Ms. Qiao Xiaojie, all being non-executive Directors of the Company, are also director or employee of China Jinmao, they have abstained from voting on the relevant Board resolution to approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

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## LETTER FROM THE BOARD

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### INFORMATION OF THE GROUP AND CHINA JINMAO

The Group is a fast-growing upscale property management and city operation service provider in the PRC, and is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.

China Jinmao is a large-scale developer and operator of quality real estate projects in the PRC, and the platform enterprise of Sinochem Holdings in the development of real estate business. China Jinmao is principally engaged in city operations, property development, commercial leasing, retail operations, hotel operations, as well as technology and services. The shares of China Jinmao are listed on the Stock Exchange (stock code: 00817).

### IMPLICATIONS OF THE LISTING RULES

China Jinmao is the controlling shareholder of the Company, holding approximately 67.28% of the total number of issued shares of the Company as at the Latest Practicable Date, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in respect of the Revised Annual Caps is more than 5%, the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### EGM

A notice convening the EGM to be held at 6F, YouAn International Tower, Unit 2, Xitieying Middle Avenue, Fengtai District, Beijing, the PRC on Monday, 12 December 2022 at 10:00 a.m. is set out on pages 39 to 40 of this circular. At the EGM, an ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement). The votes on the ordinary resolution will be taken by way of poll in accordance with the requirements of the Listing Rules.

As China Jinmao (directly holding approximately 67.28% of the total number of issued shares of the Company as at the Latest Practicable Date) and Sinochem Hong Kong (being the immediate controlling shareholder of China Jinmao and directly holding approximately 7.48% of the total number of issued shares of the Company as at the Latest Practicable Date) are regarded as having a material interest in the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), they are required to abstain and shall abstain from voting on the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

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## LETTER FROM THE BOARD

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of shares in the Company in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not the Shareholders are able to attend at the EGM, they are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the share registrar and transfer office of the Company, 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 no later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or any adjournment thereof if they so wish.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) is entered into after arm's length negotiations and on normal commercial terms, and the terms of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

### ADDITIONAL INFORMATION

The Independent Board Committee, comprising all independent non-executive Directors, namely, Dr. Chen Jieping, Dr. Han Jian and Mr. Sincere Wong, has been formed to advise the Independent Shareholders as to whether the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are conducted by the Company in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned, and how to vote on the relevant resolution to be proposed at the EGM.

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## LETTER FROM THE BOARD

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Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 14 to 15 of this circular which contains its recommendation to the Independent Shareholders regarding the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement); (ii) the letter from Opus Capital set out on pages 16 to 33 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in such regard; and (iii) the additional information set out in the appendix to this circular.

Yours faithfully,

For and on behalf of the Board of  
**Jinmao Property Services Co., Limited**  
**Jiang Nan**  
*Chairman*



**JINMAO PROPERTY SERVICES CO., LIMITED**

**金茂物業服務發展股份有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00816)**

24 November 2022

*To: the Independent Shareholders*

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS  
AND  
EXPANSION OF SCOPE OF PROPERTY MANAGEMENT SERVICES  
UNDER THE PROPERTY MANAGEMENT SERVICES  
FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 24 November 2022 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

In compliance with the Listing Rules, we have been appointed to advise the Independent Shareholders as to whether that the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are conducted by the Company in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned.

Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

Having considered the terms of the Property Management Services Framework Agreement and the Supplemental Agreement, as well as and the advice of Opus Capital, the Independent Financial Adviser to us and the Independent Shareholders, we consider that the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are conducted by the Company in its ordinary and usual course of business, on normal commercial terms, in the interests of the Company and the Shareholders as a whole and 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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Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

Yours faithfully,  
the Independent Board Committee of  
**Jinmao Property Services Co., Limited**  
**Chen Jieping**  
**Han Jian**  
**Sincere Wong**  
*Independent Non-executive Directors*

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## LETTER FROM OPUS CAPITAL

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*Set out below is the text of a letter from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) for the purpose of inclusion in this circular.*



18th Floor, Fung House  
19-20 Connaught Road Central  
Central, Hong Kong

24 November 2022

*To: The Independent Board Committee and the Independent Shareholders of Jinmao Property Services Co., Limited*

Dear Sirs or Madams,

**REVISION OF ANNUAL CAPS  
AND  
EXPANSION OF SCOPE OF PROPERTY MANAGEMENT SERVICES UNDER THE  
PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

### INTRODUCTION

We refer to our appointment by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 24 November 2022 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined or the context requires otherwise.

As stated in the Letter from the Board, reference is made to the section headed “Connected Transactions” of the Prospectus in relation to, among others, the Property Management Services Framework Agreement entered into between the Company and China Jinmao on 21 February 2022, pursuant to which the Group is providing and will continue to provide property management services to the Jinmao Connected Persons. As set out in the Letter from the Board, the Board expects that the Existing Annual Caps under the Property Management Services Framework Agreement as set out in the Prospectus will be insufficient for each of the two years ending 31 December 2022 and 2023, and the scope of the property management services under the Property Management Services Framework Agreement cannot fully meet the business needs of the parties. As such, the Company and China Jinmao entered into the Supplemental Agreement on 25 October 2022 (after trading hours) to revise the Existing Annual Caps for each of the two years ending 31 December 2022 and 2023, and to expand the scope of the property management services under the Property Management Services Framework Agreement, subject to the approval by the Independent Shareholders at the EGM.

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China Jinmao was the controlling shareholder of the Company, holding 67.28% of the total number of issued shares of the Company as at the Latest Practicable Date, and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Revised Annual Caps is more than 5%, the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are subject to the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Jiang Nan, Ms. He Yamin and Ms. Qiao Xiaojie, all being non-executive Directors of the Company, are also director or employee of China Jinmao, have abstained from voting on the relevant Board resolution to approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement). To the best of the Directors' knowledge having made all reasonable enquiries, save for the above Directors, none of the Directors has any material interest in the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) and was required to abstain from voting on the relevant Board resolution.

Furthermore, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed above, no other Shareholders has a material interest in the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) and is therefore required to abstain from voting for the relevant resolution at the EGM.

### **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee of the Company comprising all the independent non-executive Directors, namely Dr. Chen Jieping, Dr. Han Jian and Mr. Sincere Wong, has been established by the Company for the purpose of advising the Independent Shareholders as to whether the entering into the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) is in the ordinary and usual course of business of the Group, on normal commercial terms, in the interests of the Company and Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned, and how to vote on the relevant resolution to be proposed at the EGM to approve the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement). We have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

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### OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the Jinmao Connected Persons or any other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to this letter, we have not acted in the capacity as a financial adviser or as an independent financial adviser to the Company. Apart from the normal independent financial advisory fee payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, the Jinmao Connected Persons or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider ourselves independent pursuant to Rule 13.84 of the Listing Rules.

### BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the Supplemental Agreement;
- (ii) the Property Management Services Framework Agreement;
- (iii) the section headed “Connected Transactions” of the Prospectus;
- (iv) the Company’s annual report for the year ended 31 December (“FY”) 2021 (the “**2021 Annual Report**”);
- (v) the Company’s interim report for the six months ended 30 June (“HY”) 2022 (the “**2022 Interim Report**”); and
- (vi) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

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We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), we have taken into consideration the following principal factors and reasons:

#### **1. Information of the Group**

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

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The following is a summary of the financial results of the Group for each of FY2020, FY2021, HY2021 and HY2022, as extracted from the 2021 Annual Report and the 2022 Interim Report:

**Table 1: Highlights of the financial results of the Group**

	<b>HY2022</b>	<b>HY2021</b>	<b>FY2021</b>	<b>FY2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Audited)</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	1,096,888	685,766	1,515,525	944,210
– Property management services	540,667	370,758	823,229	567,481
– Value-added services to non-property owners	310,375	238,491	539,271	294,401
– Community value-added services	245,846	76,517	153,025	82,328
Gross profit	356,036	224,614	470,034	234,789
Profit attributable to the Shareholders	169,153	87,258	177,977	77,124

Sources: 2022 Interim Report and 2021 Annual Report

### *HY2022 vs HY2021*

During HY2022, the Group recorded revenue of approximately RMB1,096.9 million, representing a substantial increase of approximately 59.9% from approximately RMB685.8 million for HY2021. Such increment was mainly attributable to (i) the growth in property management services to the group companies of the Company's controlling shareholders; and (ii) the continued improvement in the provision of community value-added services through the development of optimised service products and standardised service systems. Gross profit of the Group increased by approximately 58.5% to approximately RMB356.0 million for HY2022 from approximately RMB224.6 million for HY2021 which was in line with the growth of revenue during HY2022.

The Group recorded profit attributable to the Shareholders of approximately RMB169.2 million for HY2022, representing a rapid grow by approximately 93.8% from approximately RMB87.3 million for HY2021, which was also in line with the increase in revenue during HY2022. The profit margin of the Group increased to approximately 15.4% for HY2022 from approximately 12.7% for HY2021 and that was mainly attributable to a substantial decrease of finance costs as a result of the repayment of asset-based securities principal in FY2021.

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### *FY2021 vs FY2020*

During FY2021, the Group recorded revenue of approximately RMB1,515.5 million, representing a substantial increase of approximately 60.5% from approximately RMB944.2 million for FY2020. Such increase in revenue was primarily due to the substantial increase in the GFA under management and the expansion of service offerings including preliminary planning and design services and post-delivery services.

The Group recorded profit attributable to the Shareholders of approximately RMB178.0 million for FY2021, representing a significant increase of approximately 130.8% from approximately RMB77.1 million for FY2020. The significant increase in profit attributable to the Shareholders was mainly attributable to (i) the revenue growth brought by the continuous increase in GFA under management; and (ii) the increase in gross profit margin brought by enhanced economies of scale and improved cost control measures and operational efficiency.

The following is a summary of the financial positions of the Group as at 31 December 2021 and 31 December 2022, as extracted from the 2022 Interim Report:

***Table 2: Highlights of the financial positions of the Group***

	<b>As at 30 June 2022 (Unaudited) (RMB'000)</b>	<b>As at 31 December 2021 (Audited) (RMB'000)</b>
Non-current assets	442,993	110,349
Current assets	2,162,674	1,248,703
Non-current liabilities	46,889	27,029
Current liabilities	1,397,783	1,128,042
Net asset value (“NAV”) attributable to the Shareholders	1,147,989	195,397

*Source: 2022 Interim Report*

As at 30 June 2022, the total assets of the Group amounted to approximately RMB2,605.7 million, registering an increase of approximately 91.7% from approximately RMB1,359.1 million as at 31 December 2021. Such significant increase was mainly attributable to (i) the proceeds from the listing of the Shares on the Stock Exchange in March 2022; (ii) the goodwill arising from the acquisition of a property management services company in June 2022; and (iii) the increase in trade receivables and other receivables as a result of the business expansion during HY2022. On the other hand, the total liabilities of the Group recorded a moderate increase of approximately 25.1% as compared the balances as at 30 June 2022 and 31 December 2021. Such movement was in line with the expansion of business scale of the Group during HY2022.

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Given the movements of the total assets and total liabilities of the Group highlighted above, the NAV attributable to Shareholders increased from approximately RMB195.4 million as at 31 December 2021 to approximately RMB1,148.0 million as at 30 June 2022, representing a significant increase of approximately 487.5%.

### 2. Information of China Jinmao

Being the platform enterprise of Sinochem Holdings Corporation Ltd. (中國中化控股有限責任公司) in the development of real estate business, China Jinmao is a limited company incorporated in Hong Kong, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00817). China Jinmao and its subsidiaries are principally engaged in city and property development, commercial leasing and retail operations and provision of property management, design and decoration services.

Based on its foresight on city potentials, China Jinmao integrates the world's leading premium resources and introduces the concept of mutually beneficial city planning to achieve overall enhancement in regional functions and city vitality. Currently, China Jinmao has succeeded in entering China's rapidly developing regions including the Beijing-Tianjin-Hebei Metropolitan Region, the Yangtze River Delta Region and the Pearl River Delta Region.

### 3. Outlook of the Chinese property management industry

As set out on the website of the National Bureau of Statistics of the PRC (<http://data.stats.gov.cn>), the PRC's gross domestic product in 2021 reached RMB114.4 trillion, registering an increase of about RMB13 trillion or 8.1% growth on a year-on-year basis, as compared to 2020 when the Chinese economy was adversely affected by the outbreak of the COVID-19 pandemic (the "**Pandemic**"). As a result of the Pandemic, the Chinese property management industry experienced a short-term recession due to the slowdown in the overall real estate market development, the postponement of delivery of property projects, and disruption of real estate sales activities. However, the PRC Government regards the impacts of the Pandemic to be short-term as a series of policies and measures have been implemented to support the economic recovery and property management companies, including but not limited to, implementing a proactive fiscal policy and a prudent monetary policy, and implementing policies such as burden reduction and relief, including tax cuts, tax rebates, etc. At the same time, regulatory notices including the Notice on Strengthening and Improving Residential Property Management (《關於加強和改進住宅物業管理工作的通知》) and the Notice on Continued Regulation and Standardisation of the Real Estate Market Order (《關於持續整治規範房地產市場秩序的通知》) were issued by the Ministry of Housing and Urban-Rural Development and other competent departments. These regulatory notices provide guidance to the Chinese property management industry and aims to enhance the quality of property management services, hence, are expected to have a positive impact on the development of property management service industry in the PRC. According to the China Index Academy (being the largest independent property research organisation in the PRC with more than 15 offices nationwide that provides property/land data and generates market insights for market participants), the Chinese property management industry should maintain its stable growth with the expected market size in terms of GFA under management reaching 31.1 billion sq.m.



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in 2024. The accelerated development of the industry is mainly attributable to rapid urbanisation, increasing household per capita disposable income, development of commodity housing, and favorable government policies and initiatives. In particular, pursuant to the 14th Five Year Plan, the PRC Government has announced the target urbanisation rate of the resident population\* (常住人口城鎮化) for the next five years starting from 2021 would be 65.0%. In this connection, the PRC Government promoted urbanisation in the PRC through, among others, (i) accelerating the agricultural population urbanisation\* (加快農業轉移人口市民化) by implementing two main strategies, namely further reform of the household registration system\* (深化戶籍制度改革) and improvement on the system for promoting urbanisation of agricultural population\* (健全促進農業轉移人口市民化的機制); and (ii) improving urbanisation layout\* (完善城鎮化空間佈局) by implementing five strategies, namely promote the integrated development of conurbations\* (推動城市群一體化發展), construct modernised metropolitan areas\* (建設現代化都市圈), optimise and enhance functions of central urban areas in mega-sized-cities\* (優化提升超大特大城市中心城區功能), improve habitability and employability in large and medium-sized cities\* (完善大中城市宜居宜業功能) and promote urbanisation construction with counties/cities as major carriers\* (推進以縣城為重要載體的城鎮化建設). Accordingly, the development of the PRC real estate market continues to be influenced by changes in the PRC Government policies at a national and regional level, the market environment as well as the overall economic development of the PRC.

In view of the above, it is expected that the continuous increase in the urbanisation rate in the PRC and the recovery of the PRC economy shall continue to drive the growth of the Chinese real estate and the property management industries in the long term.

#### **4. Reasons for and benefits of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement)**

As stated in the Letter from the Board, the Group has been providing property management services to the Jinmao Connected Persons for over 20 years. Considering the long-standing business relationship between the Group and the Jinmao Connected Persons, and the mutual understanding of the standards, requirements and specific needs of each other, the Group will continue to provide property management services to the Jinmao Connected Persons pursuant to the Property Management Services Framework Agreement (as revised by the Supplemental Agreement), which can bring stable income and profit to the Group and facilitate the business development of the Group.

Moreover, in view of the historical transaction amounts in respect of the property management services for HY2022, the Board expects that the Existing Annual Caps under the Property Management Services Framework Agreement as set out in the Prospectus will be insufficient for each of FY2022 and FY2023, and the scope of the property management services under the Property Management Services Framework Agreement cannot fully meet the business needs of the parties as a result of the reward program recently launched. As such, the Company and China Jinmao entered into the Supplemental Agreement to revise the Existing Annual Caps for each of FY2022 and FY2023, and to expand the scope of property management services under the Property Management Services Framework Agreement.

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According to the 2022 Interim Report, the Company insists on rapid development to achieve rapid growth of contracted GFA and GFA under management. As at 30 June 2022, the Company's contracted GFA was approximately 69.6 million sq.m., and GFA under management was approximately 45.5 million sq.m., representing an increase of approximately 20.8% and approximately 25%, respectively, as compared to 31 December 2021. The Company's undelivered GFA, as the main source of the GFA under management, was approximately 24.1 million sq.m. as at 30 June 2022, laying a solid foundation for the stable growth of the Group. Besides, the Company gained market share by expanding resources to independent markets. For HY2022, a total of approximately 5.47 million sq.m. was added to the Company's GFA under management, representing an increase of over eightfold as compared to HY2021.

Having regard of (i) the Group's long history of providing property management services to the Jinmao Connected Persons; (ii) the demand of property management services from the Jinmao Connected Persons is expected to be resilient in the coming years; (iii) the rapid growth of contracted GFA and GFA under management as well as historical transaction amount for the HY2022; (iv) the generally favourable outlook of the Chinese property management industry as stated in the section headed "3. Outlook of the Chinese property management industry" above; and (v) the expansion of the scope of the property management services as a result of the reward program launched, we concur with the Management's view that the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) were entered into the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

### **5. Principal terms of the Property Management Services Framework Agreement (as revised by the Supplemental Agreement)**

As stated in the Letter from the Board, on 21 February 2022, the Company entered into the Property Management Services Framework Agreement with China Jinmao. On 25 October 2022 (after trading hours), the Company and China Jinmao entered into the Supplemental Agreement to revise the Existing Annual Caps for each of FY2022 and FY2023, and to expand the scope of the property management services under the Property Management Services Framework Agreement. Principle terms of the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are set out as follows:

#### *Parties*

- (a) The Company
- (b) China Jinmao

#### *Scope of Services*

China Jinmao has recently developed a reward program whereby customers of Jinmao Group can earn reward points for money spent on transactions with Jinmao Group, such as purchasing properties developed by Jinmao Group and booking hotel rooms

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owned by Jinmao Group, and redeem the reward points to pay all or part of their selected products or services, which may include the property management fees payable to the Group. For the property management fees which have been paid by property owners and residents by redeeming the reward points, China Jinmao or its designated subsidiaries will reimburse the equivalent amount of such property management fees to the Group in cash.

As a result of the launch of such reward program, the scope of the property management services under the Property Management Services Framework Agreement will be expanded by the Supplemental Agreement to include not only (i) property management services to the Jinmao Connected Persons, in respect of property units developed by the Jinmao Connected Persons which have been sold but not yet been delivered to the buyers of such property units, and properties owned, used or operated by the Jinmao Connected Persons, but also (ii) those property management services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points they earned through the reward program.

### *Pricing Policies*

The fees payable by the Jinmao Connected Persons to the Group in respect of the property management services under the Property Management Services Framework Agreement shall be determined on arm's length basis with reference to the following:

- (i) the size and location of the relevant properties,
- (ii) the scope and standards of the property management services,
- (iii) the expected operational costs (including, among others, labor costs, material costs and administrative costs) of the Group in relation to the provision of the property management services; and
- (iv) the fees charged by other property management service providers for similar services in respect of similar types of properties in the market. The fees charged by the Group to the Jinmao Connected Persons shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by the Group to the Jinmao Connected Persons shall not be less favorable to the Group than the terms offered by the Group to its independent customers for the same or similar type and scope of property management services. Some local branches of the National Development and Reform Commission (the "NDRC") have set standard rates or guidance prices for the provision of property management services in respect of certain types of properties within their jurisdictions, which are published on the official websites of the local governments and may be updated by the local branches of the NDRC from time to time.

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For the services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points as described in the Supplemental Agreement, Jinmao Group will reimburse the equivalent amount of such property management fees to the Group in cash on a dollar-to-dollar basis.

### *Term*

The Supplemental Agreement shall become effective after the approval from the Independent Shareholders is obtained at the EGM. The Property Management Services Framework Agreement (as revised by the Supplemental Agreement) will expire on 31 December 2023, which may be renewed as the parties to the Property Management Services Framework Agreement may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable law and regulations.

### *Review of the principal terms*

We note that save for the Revised Annual Caps and the expansion of the scope of the property management services under the Property Management Services Framework Agreement, other terms of the Property Management Services Framework Agreement shall remain unchanged and in full force and effect until the maturity, being 31 December 2023.

In respect of the property management services to the Jinmao Connected Persons, in respect of property units developed by the Jinmao Connected Persons which have been sold but not yet been delivered to the buyers of such property units, and properties owned, used or operated by the Jinmao Connected Persons, we note that the service fees are determined with reference to (i) the size and location of the relevant properties; (ii) the scope and standards of property management services; (iii) the expected operational costs of the Group in relation to the provision of the property management services; and (iv) the fees charged by other property management service providers for similar services in respect of similar types of properties in the market. Moreover, we note that the key pricing principle is that the service fees charged for the property management services shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by the Group to the Jinmao Connected Persons shall not be less favorable to the Group than the terms offered by the Group to its independent customers for the same or similar type and scope of property management services. We have performed the relevant review as set out in the section headed “7. Internal control procedures and corporate governance measures” below that the pricing of the service fees for the sampled individual agreements entered into by the Group with the Jinmao Connected Persons have followed such key pricing principle.

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According to the internal control procedures as set out in the subsection headed “Internal Control Procedures and Corporate Governance Measures” in the Letter from the Board, before entering into any individual agreement in connection with the Property Management Services Framework Agreement, with the consideration of (i) prevailing market rates for the provision of property management services in respect of similar types of properties in comparable locations; (ii) the Group will make reference to the prevailing market conditions and practices as well as the pricing and terms offered by the Group to independent third parties to ensure that the terms and conditions offered to the Jinmao Connected Persons are fair and reasonable and are no less favourable to the Group than those offered to independent third parties for comparable services; and (iii) various internal departments of the Company will monitor the implementation of the continuing connected transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) and keep track of the aggregate transaction amounts on a monthly basis, to ensure that the pricing principles and annual caps are complied with. For our independent review working of the Group’s internal control procedures carried out under the term of the Property Management Services Framework Agreement, please refer to section headed “7. Internal control procedures and corporate governance measures” below.

In respect of the property management services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points they earned through the reward program, we note that the expansion of the scope of the property management services under the Property Management Services Framework Agreement is attributable to a newly launched reward program by China Jinmao, whereby the property management fees paid by the property owners and residents by redeeming the reward points they earned through the reward program can be reimbursed by China Jinmao or its designated subsidiaries to the Group in cash on a dollar-to-dollar basis. As such, the terms offered by the Group to the Jinmao Connected Persons shall be no less favourable than those offered to property owners and residents that are independent third parties to the Group.

Based on the above, we consider the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned.

### **6. Historical transaction amounts and the Revised Annual Caps**

As stated in the Letter from the Board, the table below sets out the historical aggregate transaction amounts for the provision of the property management services charged by the Group to the Jinmao Connected Persons for FY2020, FY2021 and HY2022.

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**Table 3: Historical aggregate transaction amounts for the provision of the property management services for FY2020, FY2021 and HY2022**

	<b>FY2020</b>	<b>FY2021</b>	<b>HY2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees charged by the Group for the provision of the property management services	62,125	104,246	70,213

As illustrated above, the historical actual transaction amount of the property management services increased by approximately 67.8% from approximately RMB62.1 million for FY2020 to approximately RMB104.2 million for FY2021. The historical actual transaction amount of the Property Management Services for HY2022 amounted to approximately RMB70.2 million, registering a utilisation rate of approximately 50.2% of the Existing Annual Cap of RMB140 million for FY2022. Should the historical actual transaction amount of the property management services for HY2022 be annualised, the projected transaction amount of the Services for FY2022 would amount to approximately RMB140.4 million, representing a utilisation rate of approximately 100.3% of the Existing Annual Cap for FY2022. Such projected utilisation rate provides an indication that the actual transaction amount in annualised term is higher than the amount estimated under the Existing Annual Cap and it needs to be revised accordingly.

With reference to the 2022 Interim Report, the Group has undelivered GFA of approximately 24.1 million sq.m. as at 30 June 2022 which will be converted to GFA under management as its revenue source. Having discussed with the Management and we note that the delivery schedule for HY2022 is ahead of schedule and the ongoing GFA to be delivered to the Group for property management services, the Company indicated that there is a pressing need to increase the Existing Annual Caps to avoid a situation where the Existing Annual Caps would become insufficient which may lead to cessation of the property management services in a short period of time and cause undue service disruption to the relevant property projects to the parties.

As confirmed by the Management, as at the Latest Practicable Date, the transaction amount for the provision of the property management services under the Property Management Services Framework Agreement had not exceeded the Existing Annual Cap for FY2022.

As stated in the Letter from the Board, the table below displays the Existing Annual Caps and the Revised Annual Caps for FY2022 and FY2023 respectively.

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*Table 4: The Existing Caps and the Revised Annual Caps for FY2022 and FY2023*

	<b>FY2022</b> <i>RMB'000</i>	<b>FY2023</b> <i>RMB'000</i>
Existing Annual Caps	140,000	182,000
Revised Annual Caps	200,000	250,000

*Basis for determining the Revised Annual Caps*

As stated in the Letter from the Board, the Revised Annual Caps are determined after taking into account the following factors:

- (i) the historical transaction amounts in respect of the property management services and the significant increase in the transaction amount in 2022. As at 30 June 2022, over 50% of the Existing Annual Cap for FY2022 had been utilised;
- (ii) the estimated revenue to be recognised based on the existing signed contracts with the Jinmao Connected Persons. As at 30 June 2022, the Group was contracted to manage 81 properties developed by the Jinmao Connected Persons which were yet to be delivered with a total contracted GFA of approximately 19.19 million sq.m.;
- (iii) approximately 86 property management projects that are expected to be awarded by the Jinmao Connected Persons to the Group for FY2022 and FY2023 based on the property development plan and the estimated delivery schedule of the Jinmao Connected Persons. It is expected that approximately 2.5 million sq.m. and 6.1 million sq.m. of additional GFA will be delivered by Jinmao Group in the fourth quarter of 2022 and FY2023, respectively, which may require the property management services from the Group;
- (iv) the scope of the property management services as expanded by the Supplemental Agreement to include those services provided to property owners and residents who have paid their property management fees to the Group by redeeming the reward points they earned through the reward program launched by China Jinmao. As Jinmao Group will reimburse the equivalent amount of such property management fees to the Group in cash, the amount of fees receivable from the Jinmao Connected Persons is expected to increase, which also contributes to the expected increase in the annual caps. In estimating the amount of such fees to be paid by the Jinmao Connected Persons for services provided to property owners and residents, the Group has made reference to its revenue generated from the property management services provided to independent third parties for HY2022 of approximately RMB446,888,000, and assumed that approximately 2% of the property management fees payable by

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independent third parties for FY2022 and FY2023 would be reimbursed by Jinmao Group pursuant to the reward program. The Company currently expects that the annual amount to be reimbursed by Jinmao Group under the reward program will account for no more than 10% of the Revised Annual Caps for FY2022 and FY2023. If the actual amount of fees reimbursed by Jinmao Group under the reward program exceeds the Company's expectation, resulting in the Revised Annual Caps being insufficient for the remainder of the relevant year, the Company will perform the necessary procedures to comply with the applicable Listing Rules requirements;

- (v) the business expansion of the Group. The Group has achieved rapid growth of its contracted GFA and GFA under management in recent years. As at 30 June 2022, the Group's contracted GFA was approximately 69.6 million sq.m., and GFA under management was approximately 45.5 million sq.m., representing an increase of approximately 57.8% and approximately 128.6%, respectively, as compared to those of 30 June 2021. In particular, since FY2022, the Group has started to provide property management services for more office buildings operated by Jinmao Group, which has further increased the amount of transactions with the Jinmao Connected Persons; and
- (vi) a buffer of 10% to cater for any additional demand for the property management services.

### *Our analysis*

In assessing the reasonableness of the Revised Annual Caps, we have discussed with the Management on the basis and underlying assumptions for the purpose of setting the Revised Annual Caps. We have also obtained and reviewed from the Management the computation worksheets for the Revised Annual Caps which is mainly based on the followings:

- (i) as abovementioned under "Table 3: Historical aggregate transaction amounts for the provision of the property management services for FY2020, FY2021 and HY2022", (a) the historical actual transaction amounts of the property management services for FY2020 and FY2021, represented a year-on-year growth of approximately 67.8%; and (b) the historical actual transaction amounts of the property management services for HY2022 of approximately RMB70.2 million and the additional GFA to be delivered in the 4th quarter in FY2022 would be approximately 2.5 million sq.m.. On this basis, the Revised Annual Cap for FY2022 is considered to be reasonable. Furthermore, we understand from the Management has, to the extent possible, factored in the aforesaid historical fluctuations as well as potential growth in demand with a buffer rate of 10% in order to avoid a situation whereby the Revised Annual Caps may become insufficient and lead to the possibility of a cessation of the property management services in a short period of time and cause undue



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disruption to the subject projects. Such possible temporary cessation may be unduly burdensome and/or lengthy as it may subject to further administrative and/or approval procedures of two separate listed companies, where required, such would not be in the interests of the Company's operations or reputation;

- (ii) the estimated demand of the property management services to be provided by the Group is mainly driven by the progress and development of the relevant property projects of Jinmao Group at the relevant time. In this connection, we have conducted due diligence research on the business and operations of Jinmao Group. With reference to the 2021 annual report of China Jinmao, as at 31 December 2021, Jinmao Group were engaged in a total of 334 projects (including city operations, property development, commercial leasing and retail operations and hotel operations), with an estimated saleable GFA of approximately 93.2 million sq.m., which represents an increase by approximately 20.6% and 12.7% respectively, as compared to a total of 277 projects, with an estimated saleable GFA of approximately 82.7 million sq.m. as at 31 December 2020;
- (iii) the Group's GFA under management as at 30 June 2022 was approximately 45.5 million sq.m. of which approximately 27.6 million sq.m. are properties developed by the Jinmao Connected Persons as disclosed in the 2022 Interim Report. With reference to the Prospectus, the Group's GFA under management which are properties developed by the Jinmao Connected Persons was approximately 20.1 million sq.m. as at 30 September 2021. The Group has recorded a nearly 40% growth in GFA under management of properties developed by the Jinmao Connected Persons within such 9-month period. As such, the transaction amounts of the property management services for the nine months ended 30 September 2022 are expected to record a remarkable increase over the same period in 2021. As advised by the Management, after 30 June 2022, the Jinmao Connected Persons' demand of the property management services remained robust. We have obtained from the Management and reviewed the delivery plan of properties developed by Jinmao Group, approximately 2.5 million sq.m. and 6.1 million sq.m. of additional GFA will be delivered to the Group in the 4th quarter of FY2022 and FY2023, respectively, which would call for the property management services to be provided by the Group;
- (iv) in addition to the Group's GFA under management discussed in items (i), (ii) and (iii) above, which is expected to grow in the coming years, we note also the property management fees per sq.m. are important element in calculating the Revised Annual Caps. With reference to the 2021 Annual Report and the 2022 Interim Report, the Group's overall average property management fees were approximately RMB4.64 per sq.m. and RMB4.45 per sq.m. respectively.

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However, given the historical management fees charged by the Group remain stable, it does not offer the same kind of driving factor as that of the Group's GFA under management in the calculation of the Revised Annual Caps; and

- (v) the estimated property management service fee to be reimbursed from the Jinmao Connected Person for the services provided to independent third party customers is based on (i) the historical revenue generated from the relevant services provided to independent third party customers for HY2022; and (ii) approximately 2% would be reimbursed by Jinmao Group pursuant to the reward program. As the reward program was newly launched in 2022, we are of the view that applying a 2% conversion rate is a prudent approach when calculating the Revised Annual Caps.

Having considered the basis on which the Revised Annual Caps are determined as described above, we are of the view that such Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

### **7. Internal control procedures and corporate governance measures**

It is noted that there is no change to the internal control procedures and corporate governance measures adopted by the Group for the transactions contemplated under the Property Management Services Framework Agreement (as supplemented by the Supplemental Agreement). Details of the internal control procedures and corporate governance measures are set out under section headed "Internal Control Procedures and Corporate Governance Measures" in the Letter from the Board.

We note that business department of the Company are responsible for reviewing and evaluating the terms of the individual agreements entered/to be entered under the Property Management Services Framework Agreement. Various internal departments of the Company (including but not limited to the finance department and legal department) will regularly monitor the implementation of the transactions under the Property Management Services Framework Agreement and keep track of the aggregate transaction amounts under the Property Management Services Framework Agreement to ensure the pricing principles and annual caps contained therein are duly complied with. For due diligence purpose, we have obtained (on a random basis) and reviewed three samples of the approval documents (including the documentary evidences supporting the pricing principle adopted) for entering into individual agreements with the Jinmao Connected Persons under the Property Management Services Framework Agreement covering the period from 21 February 2022, being the date of the Property Management Services Framework Agreement, to the Latest Practicable Date. We note that each individual agreement was reviewed by the relevant personnel before the individual agreement was entered into. The prices were checked by the relevant personnel with reference to either the standard fees designated by the relevant regulatory authorities (if applicable) and service fees offered by the Group to its independent third party customers and in both cases the prices entered into were not higher than the standard fees designated by the relevant regulatory authorities and not lower than the fees offered by the Group to its independent third party

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customers. Therefore we note that the Group had strictly followed the pricing policy under the Property Management Services Framework Agreement. As such, we are of the view that the internal control procedures mentioned under section headed “Internal Control Procedures and Corporate Governance Measures” in the Letter from the Board are in place. In addition, as far as corporate governance measures are concerned, the independent non-executive Directors and auditors will conduct annual reviews of the continuing connected transactions conducted by the Company and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

As such, we consider that the Company has adopted adequate internal control procedures and corporate governance measures to comply with the relevant Listing Rules requirements with respect to the supervision and monitoring of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

### OPINION AND RECOMMENDATION

In view of the above principal factors and reasons, we considered that: (i) the entering into of the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) is in the ordinary and usual course of business of the Group and is in the interests of the Company and Shareholders as a whole; and (ii) the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We, therefore, advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM in relation to the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement).

Yours faithfully,  
For and on behalf of  
**Opus Capital Limited**  
**Cheung On Kit Andrew**  
*Executive Director*

*Mr. Cheung On Kit Andrew is an Executive Director of Opus Capital and is licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Cheung has over 14 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.*

\* *For identification purposes only.*

## 1. RESPONSIBILITY OF THE DIRECTORS

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' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company or their respective associates had any interest or short position 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 (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules:

#### *Interests in the shares or underlying shares of the Company*

Name of Director	Capacity	No. of shares held	Percentage of issued share capital of the Company
Mr. Jiang Nan	Beneficial owner	54,380 (Long Position)	0.006%

#### *Interests in the shares or underlying shares of the associated corporations of the Company*

Name of Director	Capacity	Name of associated corporation (Note 1)	No. of shares held in the associated corporation	No. of underlying shares held in the associated corporation (Note 2)	Percentage of issued share (Note 3)
Mr. Jiang Nan	Beneficial owner	China Jinmao	4,100,000 (Long Position)	3,500,000 (Long Position)	0.060%

Name of Director	Capacity	Name of associated corporation (Note 1)	No. of shares held in the associated corporation	No. of underlying shares held in the associated corporation (Note 2)	Percentage of issued share (Note 3)
Mr. Xie Wei	Beneficial owner	China Jinmao	–	2,500,000 (Long Position)	0.020%
Ms. Zhou Liye	Beneficial owner	China Jinmao	–	1,618,000 (Long Position)	0.013%
Ms. He Yamin	Beneficial owner	China Jinmao	–	2,202,000 (Long Position)	0.017%
Ms. Qiao Xiaojie	Beneficial owner	China Jinmao	–	1,334,000 (Long Position)	0.011%

*Note 1:* As at the Latest Practicable Date, China Jinmao held approximately 67.28% of the total number of issued shares of the Company. As such, China Jinmao is an associated corporation of the Company within the meaning of Part XV of the SFO.

*Note 2:* This refers to underlying shares covered by share options granted pursuant to the share option scheme of China Jinmao, such options being unlisted physically settled equity derivatives.

*Note 3:* This represents the percentage of the long positions in the shares and underlying shares to the total number of issued shares of China Jinmao as at the Latest Practicable Date.

#### (b) Substantial shareholders' interests

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the Directors, there was no other person (other than the Directors and chief executives of the Company) who had any interest or short position in the shares or underlying shares of the Company which (i) were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or (ii) were required, pursuant to section 336 of the SFO, to be recorded in the register of the Company referred to therein, or (iii) had already been notified to the Company and the Stock Exchange:

Name of substantial shareholder	Long/short position	Capacity/nature of interests	No. of shares held	Percentage of issued share capital of the Company
China Jinmao	Long position	Beneficial owner	608,319,969	67.28%
Sinochem Hong Kong	Long position	Interest in controlled corporation (Note 1)	608,319,969	67.28%
		Beneficial owner	67,616,133	7.48%
Sinochem Corporation	Long position	Interest in controlled corporation (Note 1)	675,936,102	74.76%

Name of substantial shareholder	Long/short position	Capacity/nature of interests	No. of shares held	Percentage of issued share capital of the Company
Sinochem Group	Long position	Interest in controlled corporation ( <i>Note 1</i> )	675,936,102	74.76%
Sinochem Holdings	Long position	Interest in controlled corporation ( <i>Note 1</i> )	675,936,102	74.76%

*Note 1:* Sinochem Holdings held the entire equity interests in Sinochem Group, which in turn held the entire equity interests in Sinochem Corporation. Sinochem Corporation held the entire equity interests in Sinochem Hong Kong, which in turn held an approximately 35.27% interest in China Jinmao as at the Latest Practicable Date. For the purpose of the SFO, Sinochem Holdings, Sinochem Group, Sinochem Corporation and Sinochem Hong Kong are all deemed to be interested in the shares of the Company beneficially owned by China Jinmao, and Sinochem Holdings, Sinochem Group and Sinochem Corporation are all deemed to be interested in the shares of the Company beneficially owned by Sinochem Hong Kong.

### 3. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, the following Directors are also employees of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of substantial shareholder of the Company	Position in the substantial shareholder of the Company
Mr. Jiang Nan	China Jinmao	Executive director Chief financial officer
Ms. Qiao Xiaojie	China Jinmao	Deputy financial controller
Ms. He Yamin	China Jinmao	Human resource director

### 4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up.

### 5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not terminable within one year without payment of compensation (other than statutory compensation).

**6. COMPETING INTERESTS**

As at the Latest Practicable Date, the Directors were not aware that any of them or any of their close associates had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosed under the Listing Rules.

**7. OTHER ARRANGEMENTS INVOLVING DIRECTORS**

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2021 (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 were proposed to be acquired or disposed of by or leased to any member of the Group.

**8. EXPERT AND CONSENT**

The following is the qualifications of the expert who has given opinions or advice, which are contained or referred to in this circular:

<b>Name</b>	<b>Qualifications</b>
Opus Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, the Independent Financial Adviser

As at the Latest Practicable date, Opus Capital:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 24 November 2022 and references to its name, in the form and context in which it appears;
- (b) 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

- (c) did not have any direct or indirect interest in any assets which had been since 31 December 2021 (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 were proposed to be acquired or disposed of by or leased to any member of the Group.

## **9. MISCELLANEOUS**

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

## **10. DOCUMENTS ON DISPLAY**

A copy of each of the Property Management Services Framework Agreement and the Supplemental Agreement is available on the HKExnews website of the Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) and the website of the Company (<http://www.jinmaowy.com>) from the date of this circular up to and including the date of the EGM.



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## NOTICE OF EGM

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### JINMAO PROPERTY SERVICES CO., LIMITED

### 金茂物業服務發展股份有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00816)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Jinmao Property Services Co., Limited (the “**Company**”) will be held at 6F, YouAn International Tower, Unit 2, Xitieying Middle Avenue, Fengtai District, Beijing, the PRC on Monday, 12 December 2022 at 10:00 a.m. or any adjournment thereof to consider and, if thought fit, pass the following resolution as an ordinary resolution (with or without modifications):

#### ORDINARY RESOLUTION

**1. “THAT:**

- (a) the Supplemental Agreement to the Property Management Services Framework Agreement (as defined and described in the circular to the shareholders of the Company dated 24 November 2022 (the “**Circular**”), a copy of which has been produced to the EGM marked “A” and initialled by the Chairman of the EGM for the purpose of identification) and the execution thereof and implementation of all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the revised annual caps of the transactions contemplated under the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) as described in the Circular be and are hereby approved, ratified and confirmed; and
- (c) any Director be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Property Management Services Framework Agreement (as revised by the Supplemental Agreement) or any transactions contemplated thereunder, and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of the such Director, in the interests of the Company and its shareholders as a whole.”

By order of the Board  
**Jinmao Property Services Co., Limited**  
**Jiang Nan**  
*Chairman*

Hong Kong, 24 November 2022

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## NOTICE OF EGM

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*Notes:*

1. The resolution to be proposed at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited and the website of the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company’s 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 (excluding any part of a day that is a public holiday) before the time appointed for the meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For determining the entitlement of shareholders to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 8 December 2022 to Monday, 12 December 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 7 December 2022.
6. References to time and dates in this notice are to Hong Kong time and dates.

### **PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING**

To safeguard the health and safety of the shareholders and to prevent the spreading of the novel coronavirus pandemic, the following precautionary measures will be implemented at the meeting:

- (1) Compulsory temperature checks and the body temperature shall not be higher than 37.3 °C
- (2) Scan a QR code for registration with his/her information through the applet, “Beijing Jiankangbao (北京健康寶)”, and the result should be normal
- (3) Communication Big Data Itinerary Card (通信大數據行程卡) checks
- (4) Negative nucleic acid test certificate issued within 24 hours (i.e. time before the convening of the meeting)
- (5) Wearing of surgical face mask

For the health and safety of the shareholders, the Company would like to encourage the shareholders to exercise their right to vote at the meeting by appointing the chairman of the meeting as their proxy instead of attending the meeting in person.

Due to the constantly evolving novel coronavirus pandemic situation, the Company may be required to change the meeting arrangements at short notice. Shareholders should check the HKExnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Company (<http://www.jinmaoway.com>) for further announcements and updates on the meeting arrangements.

*As at the date of this notice, the executive Directors are Mr. Xie Wei and Ms. Zhou Liye; the non-executive Directors are Mr. Jiang Nan, Ms. He Yamin and Ms. Qiao Xiaojie; and the independent non-executive Directors are Dr. Chen Jieping, Dr. Han Jian and Mr. Sincere Wong.*