



红日资本有限公司
RED SUN CAPITAL LIMITED

26 September 2025

To: The Independent Board Committee and the Independent Shareholders of Jinke Smart Services Group Co., Ltd.

Dear Sirs,

**(1) ACQUISITION OF APPROXIMATELY 18.05% SHAREHOLDING IN
THE COMPANY BY THE OFFEROR
AND (2) UNCONDITIONAL MANDATORY CASH OFFER BY
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG
SECURITIES LIMITED FOR AND ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL OF THE OFFER SHARES IN THE COMPANY**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the Composite Document dated 26 September 2025, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

Immediately before the completion of the Auction Shares Transfer, the Offeror and its Concert Parties hold a total of 226,048,971 Shares, representing approximately 37.86% of the total issued share capital of the Company. 107,797,875 Auction Shares, representing approximately 18.05% of the total issued share capital of the Company, owned by Jinke Property, a substantial Shareholder, were subject to a public auction conducted by the Administrator of Jinke Property under the supervision of Chongqing Fifth Intermediate People's Court. The auction of the Auction Shares (the "Auction") was to satisfy partial repayment of the debt owed by Jinke Property to the Offeror under the Jinke Property Facility Agreement pursuant to the Enterprise Bankruptcy Law of the PRC and other applicable law and regulation. The Auction Shares were previously pledged by Jinke Property in favour of the Offeror, a creditor of Jinke Property. The total debt owed by Jinke Property to the Offeror, including principal and interest, amounts to RMB4,696,588,363.39.

The Auction took place between 29 March 2025 to 30 March 2025 through the Auction Platform.

On 30 March 2025:

- (a) the Offeror won the Auction at the aggregate bid price of RMB666,835,067.60 (equivalent to HK\$717,976,536.28, based on the Applicable PBOC RMB:HKD Exchange Rate) for the Auction Shares, which represents a consideration of RMB6.19 per Auction Share (equivalent to HK\$6.67 per Auction Share, based on the Applicable PBOC RMB:HKD Exchange Rate); and
- (b) the Bidding Confirmation was issued to the Offeror.

The Offeror was notified by CSDC on 18 September 2025 that the Auction Shares Transfer has been completed. Following the Auction Shares Transfer and as at the date of the announcement in relation to the completion of the Auction Shares Transfer on 19 September 2025, the Offeror and its Concert Parties hold a total of 333,846,846 Shares, representing approximately 55.91% of the total issued share capital of the Company.

According to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties in accordance with the Takeovers Code.

In this connection, the Offer is being made by CICC for and on behalf of the Offeror with the Offer Price of HK\$6.67 in cash per Offer Share.

For further details, please refer to the Composite Document.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Xiao Huilin, Ms. Yuan Lin and Mr. Tung Woon Cheung Eric, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer. Red Sun Capital Limited has been appointed by the Board with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Offeror and its concert parties, Jinke Property and their respective shareholders, directors or chief executives, or any of their respective associates. Accordingly, we are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the Offer.

In the last two years, save for this appointment and our appointment as the independent financial adviser of the Company for each of the following, namely, (a) the continuing connected transactions and the revised annual caps under the supplemental agreement to the 2022 master property management services agreement and the discloseable and connected transactions in relation to the debt settlement agreement, details of which are set out in the circular of the Company dated 27 March 2024; (b) major and connected transaction in relation to the debt settlement mandate, details of which are set out in the circular of the Company dated 29 November 2024; and (c) the mandate for the Group (as one of the debtors) to participate in the debt restructuring schemes of Chongqing Jinke Real Estate Development Co., Ltd., being a subsidiary of Jinke Property Group Co., Ltd. (as the creditor), and Jinke Property Group Co., Ltd. (as the creditor) in February 2025, of which did not require the Company's independent shareholders' approval at the end and thus the Company did not issue a circular in this connection, we have not acted as an independent financial adviser to the independent board committee of the Company and/or the Independent Shareholders.

Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser and the engagement as stated above as the independent financial adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. In addition, having considered that (i) remuneration for our independent financial adviser engagement in relation to the Offer is fixed and at market level, and is not conditional upon the outcome of the Offer; (ii) no arrangement exists whereby we shall receive any fees or benefits from the Company (other than our said remuneration) or the Offeror, their respective controlling shareholders or any parties acting in concert with any of them; and (iii) our engagement is on normal commercial terms and approved by the Independent Board Committee, we are independent of the Company and the Offeror, their respective controlling shareholders and any parties acting in concert with any of them, we consider that we are independent from the Group pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our advice, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations provided to us by the Group, the Directors and/or senior management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Composite Document or made, given or provided to us by the Company, the Directors, the Management and the Administrator, for which they are solely and wholly responsible, were true and accurate and complete in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have assumed that all the opinions and representations made by the Directors in the Composite Document have been reasonably made after due and careful enquiry. The Directors and the Management confirmed that no material facts have been omitted from the information provided and referred to in the Composite Document. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. The Company will notify the Shareholders of any material changes to information contained or referred to in the Composite Document as soon as practicable in accordance with Rule 9.1 of the Takeovers Code. The Shareholders will also be informed as soon as practicable when there is any material changes to the information contained or referred to herein as well as changes to our opinion, advice and/or recommendation, the information and representations provided and made to us and the information contained in this letter, if any, after the Latest Practicable Date as soon as possible.

We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the financial position, business and affairs of the Group and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

We consider that we have been provided with sufficient information to enable us to reach an informed view and to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Group, the Directors and/or the Management and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely for their consideration in respect of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL TERMS OF THE OFFER

The Offer is made by CICC for and on behalf of the Offeror on the following basis:

For each Offer Share

HK\$6.67 in cash

The Offeror acquired the Auction Shares at the aggregate bid price of RMB666,835,067.60 (equivalent to HK\$717,976,536.28, based on the Applicable PBOC RMB:HKD Exchange Rate) for the Auction Shares, which represents a consideration of RMB6.19 per Auction Share (equivalent to HK\$6.67 per Auction Share, based on the Applicable PBOC RMB:HKD Exchange Rate).

The Offer Price of HK\$6.67 per Offer Share represents (i) a discount of approximately 22.62% to the closing price of HK\$8.62 per Share as quoted on the Stock Exchange on 27 March 2025, being the Last Trading Date; and (ii) a discount of approximately 0.15% to the closing price of HK\$6.68 per Share as quoted on the Stock Exchange on 25 September 2025, being the Latest Practicable Date.

As at the Latest Practicable Date, the Company has 597,088,700 Shares in issue. The Company does not have any outstanding options, warrants or derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Based on the Offer Price of HK\$6.67 and the 267,722,054 Offer Shares in issue as at the Latest Practicable Date, the maximum amount payable by the Offeror under the Offer will be approximately HK\$1,785,706,100.18 (assuming no further Shares are issued).

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Financial information of the Group and industry outlook

1.1 Historical financial information of the Group

The Group is principally engaged in the provision of space property management services, local catering services, community value-added services¹ and smart living technology solutions in the PRC.

We herewith set out a summary of the financial information of the Group for the six months ended 30 June 2024 and 2025 as extracted from the interim report of the Group for the six months ended 30 June 2025 (the “2025 Interim Report”) and the financial information of the Group for the years ended 31 December 2022, 2023 and 2024 as extracted from the annual reports of the Group for the year ended 31 December 2023 (the “2023 Annual Report”) and 31 December 2024 (the “2024 Annual Report”), respectively:

Summary of the consolidated statement of comprehensive income of the Group extracted from the 2024 Annual Report and the 2025 Interim Report

	For the six months ended 30 June		For the year ended 31 December	
	2025	2024	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue				
– Residential property services (note 1)	1,746,699	1,775,154	3,343,045	3,457,993
– Enterprise services (note 1)	479,872	523,915	1,002,717	1,146,743
– Other services (note 1 & 2)	108,118	111,086	239,673	375,005
Total Revenue	2,334,689	2,410,155	4,585,435	4,979,741

¹ Community value-added services mainly comprised (i) home-living services, consisted of community group purchase, household cleaning services, home delivery services and travel services; (ii) community management services, which consisted of management of public resources (leasing of public spaces, for instance), temporary parking services, community media services and parent-child education; (iii) home-decoration services, which consisted of one-stop services including interior furnishing, decoration, sales of home furnishings, renovation of older properties, move-in furnishing services and other services; and (iv) asset operation services, which included rental, sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services.

	For the six months ended 30 June		For the year ended 31 December	
	2025	2024	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(audited)	(audited)
Cost of sales	(1,877,114)	(1,945,947)	(3,925,421)	(4,051,564)
Gross profit (note 1)	457,575	464,208	660,014	928,177
<i>Key income and expenses components</i>				
Net impairment losses on				
financial assets	(175,485)	(332,787)	(556,556)	(1,470,565)
Other income	25,288	29,579	55,852	149,703
Other losses – net	(11,167)	(35,456)	(64,748)	(166,354)
Profit/(Loss) before income tax	100,359	(184,646)	(546,798)	(1,119,545)
Profit/(Loss) and total				
comprehensive income for the				
period/year attributable to				
owners of the Company	65,020	(194,430)	(587,302)	(951,038)

Note 1: The overall gross profit margin of the Group was approximately 14.4% and 18.6% for FY2024 and FY2023 and approximately 19.6% and 19.3% for the 1H2025 and 1H2024, respectively. The gross profit margin for the three business segments, namely residential property services, enterprise services and other services are as follows: the gross profit margin of residential property services was approximately 16.5% and 19.8% for FY2024 and FY2023 and approximately 22.1% and 21.7% for the 1H2025 and 1H2024, respectively. The gross profit margin of enterprise services was approximately 9.6% and 13.7% for FY2024 and FY2023 and approximately 12.2% and 13.9% for the 1H2025 and 1H2024, respectively. The gross profit margin of other services was approximately 5.4% and 22.6% for FY2024 and FY2023 and approximately 11.7% and 5.0% for the 1H2025 and 1H2024, respectively.

Note 2: Other services provided by the Group to customers primarily comprised of: (i) hotel management services; (ii) catering supply chain services (e.g. food supply chain services for items such as rice, flour, grain and oil); (iii) asset operation services, which primarily include sale and marketing service for new homes, second-hand homes and parking spaces, and commercial operation services; and (iv) smart living technology solutions, such as digital and intelligent technology solutions to property management companies, external clients like enterprises and public institutions, and property developers.

Financial performance for the six months ended 30 June 2025 (the “1H2025”) and the six months ended 30 June 2024 (the “1H2024”)

Based on the 2025 Interim Report, the Group derived its revenue from three business lines, namely (a) residential property services; (b) enterprise services; and (c) other services, during 1H2025. Revenue of the Group was broadly stable at approximately RMB2,410.2 million for 1H2024 and approximately RMB2,334.7 million for 1H2025, the fluctuation was mainly attributable to the slight decrease in overall gross floor area (“GFA”) under management of the Group from approximately 209.5 million metre square (“sq.m.”) as at 30 June 2024 to approximately 203.3 million sq.m. as at 30 June 2025. Residential property services was the largest business line by revenue for both 1H2025 and 1H2024, representing over 70% of total revenue, followed by enterprise services and other services, respectively.

Gross profit of the Group for 1H2025 amounted to approximately RMB457.6 million, which is largely in line with approximately RMB464.2 million for 1H2024. The gross profit margin of the Group for 1H2025 at approximately 19.6% was in line with that of the gross profit margin for 1H2024 at approximately 19.3%. The largest revenue generating business of the Group for 1H2025 was its residential property services, contributed a gross profit of approximately RMB386.2 million with a gross profit margin of approximately 22.1% for 1H2025, being similar to the gross profit recorded for 1H2024 of approximately RMB385.6 million at a gross profit margin of approximately 21.7%. As for the enterprise services of the Group, gross profit decreased from approximately RMB73.0 million for 1H2024 to approximately RMB58.7 million for 1H2025, as well as a slight decrease in gross profit margin from approximately 13.9% for 1H2024 to approximately 12.2% for 1H2025, which was mainly attributable to the Group strategically scaled down and exited from low-quality projects resulting from the Group’s proactive withdrawal from certain negative contribution projects that led to an increase in one-off expenses in relation to early termination of contracts which the Company confirmed that such caused a negative net effect on the gross profit margin. As the result of these one-off expenses, the Group recorded decrease in the gross profit margin for its enterprise services for 1H2025. The Group also recorded increase in gross profit from other services from approximately RMB5.6 million for 1H2024 to approximately RMB12.7 million for 1H2025 as well as a higher gross profit margin, which was mainly attributable to the increase in revenue from smart living technology solutions provided by the Group combined with cost reductions, particularly the decrease in employee expenses, carried out by the Group.

The Group recorded profit before income tax of approximately RMB100.4 million for 1H2025 compared to the loss before income tax of approximately RMB184.6 million for 1H2024. Such movement was mainly attributable to (a) the decrease in the net impairment losses on financial assets of approximately RMB157.3 million or 47.3% from approximately RMB332.8 million for 1H2024 to approximately RMB175.5 million for 1H2025, primarily attributable to the decrease in the provision for impairment loss of the outstanding receivables, based on assessment of the expected credit loss (“ECL”)

assessed by the Management after considering the restructuring progress of the subject developer, namely, Jinke Property Group Co., Ltd. (金科地產集團股份有限公司), being a substantial Shareholder immediately prior to the completion of the Auction Shares Transfer and the decrease in credit impairment of trade receivables and other receivables; and (b) the decrease in the administrative expenses of approximately RMB127.6 million or 41.9% from approximately RMB304.3 million for 1H2024 to approximately RMB176.7 million for 1H2025, primarily due to the implementation of cost reductions and no new stock-based incentives were issued to senior employees for 1H2025, which reduced the Group's employee benefit expenses from approximately RMB985.8 million for 1H2024 to approximately RMB821.4 million for 1H2025.

Financial performance for the year ended 31 December 2023 (the "FY2023") and the year ended 31 December 2024 (the "FY2024")

It is noted that with the implementation of the Group's operating policy of focusing on its principal businesses and its strategy in 2024, the Group has adjusted its business lines and its presentation in the 2024 Annual Report, this presentational change of business lines will continue into the future annual report disclosure, namely, (a) classified the original space property management services and community value-added services into "residential property services" and "enterprise services" according to the service formats of the projects; (b) consolidated the original group catering business of the local catering services into enterprise services to further strengthen the advantages of integrated facility management services; and (c) the scope of "other services" was expanded to include other non-core businesses, representing smart living technology solutions, to enhance the concentration of service resources. After the adjustment, the Group's revenue in 2024 were represented in three major business lines, namely, (a) residential property services; (b) enterprise services; and (c) other services.

Based on the 2024 Annual Report, the Group derived its revenue from three business lines, namely (a) residential property services; (b) enterprise services; and (c) other services, during FY2024. Revenue of the Group decreased by approximately RMB394.3 million or 7.9% from approximately RMB4,979.7 million for FY2023 to approximately RMB4,585.4 million for FY2024, which was mainly attributable to the general decrease in revenue for each of its business lines as the overall GFA under management decreased from approximately 211.7 million sq.m. for FY2023 to approximately 207.4 million sq.m. for FY2024. Residential property services was the largest business line by revenue for both FY2024 and FY2023, followed by enterprise services and other services, respectively.

Gross profit of the Group for FY2024 amounted to approximately RMB660.0 million, represented a decrease of approximately 28.9% from approximately RMB928.2 million for FY2023, which was primarily attributable to (a) decrease in overall revenue of the Group as set out in the preceding paragraph; (b) a decrease in gross profit margin of the then largest revenue generating business, being the Group's residential property services, from approximately 19.8% for FY2023 to approximately 16.5% for FY2024; (c)

a decrease in gross profit margin of enterprise services from approximately 13.7% for FY2023 to approximately 9.6% for FY2024; and (d) a decrease in gross profit margin of other services from approximately 22.6% for FY2023 to approximately 5.4% for FY2024. The movement in the gross profit margin of residential property services of the Group was primarily attributable to an increase in cost of sales recorded in FY2024 as a result of its withdrawal from certain negative contribution projects and the Group also increased its investment in the maintenance and quality improvement of high-quality existing projects. The movement in the gross profit margin of enterprise services was primarily attributable to (a) the Group strategically scaled down and exited from certain projects with negative contribution, which led to one-off expenses in relation to early termination of the contracts which the Company confirmed that such caused a negative net effect on the gross profit margin; and (b) the increase in amortisation expenses under cost of sales in relation to intangible assets arose from mergers and acquisitions and capital investments in previous years. The movement in the gross profit margin of other services was primarily attributable to the Group's strategic adjustment, focusing on its residential property services and strategically scaling back other services businesses, which led to the decrease in both gross profit margin and gross profit given the strategic scaled down led to a lower contribution towards the gross profit and that the fixed costs of the Group remained largely stable, e.g. amortisation expenses as mentioned under (b) above, also caused a lower gross profit margin.

The Group recorded loss before income tax of approximately RMB546.8 million for FY2024 compared to approximately RMB1,120.0 million for FY2023, representing a reduction in loss before income tax of approximately RMB572.7 million. Such movement was mainly attributable to the net effects of (a) the decrease in net impairment losses on financial assets, primarily attributable to the decrease in ECL of the subject receivables (including trade receivables, loan receivables, other receivables and finance lease receivables) assessed under the Group's ECL model in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"), from approximately RMB1,470.6 million for FY2023 to approximately RMB556.6 million for FY2024; (b) the decrease in other losses – net from approximately RMB166.4 million for FY2023 to approximately RMB64.7 million for FY2024, mainly due to the year-on-year decrease in impairment of goodwill assessed based on the HKFRSs of approximately RMB86.2 million; which was partially offset by (c) the decrease in gross profit as set out in the preceding paragraph; and (d) the decrease in other income from approximately RMB149.7 million for FY2023 to approximately RMB55.9 million for FY2024, which was primarily attributable to the year-on-year reduction in interest income from loans to Jinke Property Group of approximately RMB90.0 million.

Summary of the consolidated statement of comprehensive income of the Group extracted from the 2023 Annual Report

	For the year ended 31	
	December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue		
– Space property management services	4,092,028	4,101,158
– Local catering services	513,894	487,931
– Community value-added services	317,069	332,851
– Smart living technology solutions	56,750	83,119
Total Revenue	4,979,741	5,005,059
Cost of sales	(4,051,564)	(4,061,857)
Gross profit (note)	928,177	943,202
<i>Key income or expenses</i>		
Net impairment losses on financial assets	(1,470,565)	(2,152,408)
Other income	149,703	44,147
Other losses – net	(166,354)	(307,250)
Loss before income tax	(1,119,545)	(2,001,393)
Loss and total comprehensive income for the year		
attributable to owners of the Company	(951,038)	(1,818,545)

Note: The overall gross profit margin of the Group was approximately 18.6% and 18.8% for FY2023 and FY2022, respectively.

Financial performance for the year ended 31 December 2022 (the “FY2022”) and FY2023

Based on the 2023 Annual Report, the Group derived its revenue from four business lines, namely (a) space property management services; (b) local catering services; (c) community value-added services; and (d) smart living technology solutions, during FY2023. Revenue of the Group decreased by approximately RMB25.3 million or 0.5% from approximately RMB5,005.1 million for FY2022 to approximately RMB4,979.7 million for FY2023, which was mainly attributable to the decrease in revenue for the value-added services to non-property owners of approximately RMB270.1 million or 63.5% which was primarily due to the impacts of the then continuous challenging operating environment of the PRC’s real estate market and thus the Group has been more stringent in assessing the credit worthiness of the counterparties, as a result reduced the number of projects undertaken by the Group during FY2023, which offset by the increase

in revenue for the property management services of approximately RMB261.0 million or 7.1% which was primarily driven by the Group's business expansion and the GFA under management for FY2023 increased for approximately 48.8 million sq.m.. Space property management services was the largest business line by revenue for both FY2023 and FY2022, followed by local catering services, community value-added services and smart living technology solutions, respectively.

Gross profit of the Group for FY2023 amounted to approximately RMB928.2 million, decreased slightly by approximately 1.6% compared to that of FY2022 of approximately RMB943.2 million.

The Group also recorded loss before income tax of approximately RMB1,119.5 million for FY2023 compared to the loss before income tax of approximately RMB2,001.4 million for FY2022. Such movement was mainly attributable to the net effects of (a) the abovementioned decrease in revenue; (b) the decrease in net impairment losses on financial assets, primarily attributable to the decrease in ECL of the subject receivables (including trade receivables, loan receivables, other receivables and finance lease receivables and bill receivables) assessed under the Group's ECL model in accordance with the HKFRSs, from approximately RMB2,152.4 million for FY2022 to approximately RMB1,470.6 million for FY2023; (c) the decrease in other losses – net from approximately RMB307.3 million for FY2022 to approximately RMB166.4 million for FY2023, mainly due to the year-on-year decrease in impairment of goodwill assessed based on the HKFRSs of approximately RMB145.7 million; and (d) the increase in other income, which mainly comprised of interest income from loans to Jinke Property Group, from approximately RMB44.1 million for FY2022 to approximately RMB149.7 million for FY2023. Such movement was primarily attributable to the year-on-year increase in interest income from loans to Jinke Property Group of approximately RMB106.0 million.

Summary of the consolidated statement of financial position of the Group extracted from the 2024 Annual Report and 2025 Interim Report

	As at 30 June 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)	2023 RMB'000 (audited)
Non-current assets	1,893,329	2,038,188	1,990,392
Current assets	4,402,642	4,677,178	5,666,935
Non-current liabilities	145,861	147,451	187,277
Current liabilities	2,701,877	3,185,988	3,372,803
Equity attributable to the owners of the Company	3,421,922	3,351,752	4,077,934

Financial position as at 30 June 2025 and 31 December 2024

The Group's total assets amounted to approximately RMB6,296.0 million as at 30 June 2025, which mainly comprised of (a) cash and cash equivalents, and term deposit of approximately RMB2,276.1 million as at 30 June 2025, representing a decrease of approximately 18.8% as compared to approximately RMB2,801.8 million as at 31 December 2024; and (b) trade and bill and other receivables and prepayments in respect of current assets and non-current assets of approximately RMB1,666.2 million as at 30 June 2025, representing an increase of approximately 5.3% as compared to approximately RMB1,581.9 million as at 31 December 2024. The total liabilities of the Group amounted to approximately RMB2,847.7 million as at 30 June 2025 which mainly comprised of (a) trade and bill and other payables of approximately RMB1,874.1 million as at 30 June 2025, representing a decrease of approximately 14.9% as compared to approximately RMB2,201.7 million as at 31 December 2024; and (b) contract liabilities of approximately RMB744.4 million as at 30 June 2025, representing a decrease of approximately 16.2% as compared to approximately RMB888.4 million as at 31 December 2024.

Equity attributable to owners of the Company remained largely stable at approximately RMB3,421.9 million as at 30 June 2025 as compared to approximately RMB3,351.8 million as at 31 December 2024.

Financial position as at 31 December 2024 and 31 December 2023

The Group's total assets amounted to approximately RMB6,715.4 million as at 31 December 2024, which mainly comprised of (a) cash and cash equivalents, and term deposit of approximately RMB2,801.8 million as at 31 December 2024, representing a decrease of approximately 10.4% as compared to approximately RMB3,125.5 million as at 31 December 2023; and (b) trade and bill and other receivables and prepayments in respect of current assets and non-current assets of approximately RMB1,581.9 million as at 31 December 2024, representing a decrease of approximately 27.7% as compared to approximately RMB2,188.3 million as at 31 December 2023. The total liabilities of the Group amount to approximately RMB3,333.4 million as at 31 December 2024 which mainly comprised of (a) trade and bill and other payables of approximately RMB2,201.7 million as at 31 December 2024, representing a decrease of approximately 7.2% as compared to approximately RMB2,372.4 million as at 31 December 2023; and (b) contract liabilities of approximately RMB888.4 million as at 31 December 2024, representing an increase of approximately 0.9% as compared to approximately RMB880.7 million as at 31 December 2023.

Equity attributable to owners of the Company amounted to approximately RMB3,351.8 million as at 31 December 2024, representing a decrease of approximately RMB726.2 million or 17.8% as compared to approximately RMB4,077.9 million as at 31 December 2023.

1.2 Historical dividend of the Group

During each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, no dividend had been declared by the Company. As at the Latest Practicable Date, the Company has no outstanding dividend or other distribution that has been declared, made but not yet paid. In addition, the Company does not intend to declare, pay and/or make any dividend or other distribution on the Shares during the Offer Period. In this connection, Independent Shareholders should take into account (a) the consolidated financial performance of the Group with loss and total comprehensive income for the year attributable to owners of the Company during the three consecutive financial years ended 31 December 2024; (b) the consolidated financial performance of the Group with profit and total comprehensive income for the six months ended 30 June 2025 attributable to owners of the Company as set out in the 2025 Interim Report; (c) the stated dividend policy of the Group which sets out that the Board recommended the cash dividend for the full year ended 31 December 2021 to 2025 of not less than 40% of profit attributable to owners of the Company for the subject year as set out in the 2024 Annual Report; and (d) as the financial year ending 31 December 2025 is not yet completed, there are no certainties that the Group will distribute dividend under the stated dividend policy, when considering whether to accept the Offer or to retain his/her/its shareholding in the Company, in part or in whole.

1.3 Industry and outlook of the Group

We noted from the announcement of the Company regarding the annual results for the year ended 31 December 2024 dated 26 March 2025 that the Management considered the overall PRC real estate market to be in an adjustment phase with intensified market competition which led property companies to place greater emphasis on regional deepening and urban focus. Additionally, there is a shift from scale-first to efficiency-first, continuation of optimising project portfolios and costs reductions.

As the operations of the Group are primarily based in the PRC and that the demand of its residential property management and related services may be affected by the PRC economy and the development of the real estate industry, we have conducted our independent research in this connection.

Based on our independent research on the data published by the National Bureau of Statistics of China (the “Statistics Bureau”) in January 2025² and April 2025³, the gross domestic product (“GDP”) of the PRC for the year ended 31 December 2024 and the first quarter ended 31 March 2025 recorded a growth of (a) approximately 5.0% compared to the corresponding prior year; and (b) approximately 5.4% compared to the corresponding period

2 2025 GDP data published by Statistics Bureau (source: www.stats.gov.cn/xxgk/sjfb/zxfb2020/202501/t20250118_1958363.html)

3 2025 first quarter preliminary GDP data published by Statistics Bureau (source: www.stats.gov.cn/sj/zxfb/202504/t20250417_1959334.html)

in the prior year. However, the ongoing geopolitical uncertainties and economic challenges prevailing in major economies, including the protectionist policies under the current U.S. administration, may continue to impact the PRC's economic environment as a whole.

As for our review of PRC real estate related data published by the Statistics Bureau⁴, we noted that for the first quarter of 2025 ("2025Q1"), the investment in PRC real estate development* (全國房地產開發投資) amounted to approximately RMB1,990.4 billion, representing a decrease of approximately 9.9% compared to the corresponding period in the prior year. Out of the above, approximately RMB1,513.3 billion was related to investment in residential properties, which represented a decrease of approximately 9.0% compared to the corresponding period in the prior year. As for the sales area of residential properties of the newly built commodity housing* (新建商品房), the total sales area amounted to approximately 18.5 million sq.m. during 2025Q1, representing a slight decrease of approximately 2.0% compared to the corresponding period in the prior year.

Nonetheless, we noted from the PRC 2025 Government Work Report* (2025政府工作報告)⁵ published in March 2025 that the policy direction supports the continuous development and the stabilisation of the PRC property market.

1.4 Our view

In light of the above, we are of the view that the development of the PRC property market continues to be influenced by (a) PRC government policies at a national and regional level, which is intended to promote sustainable and healthy long-term development of the property development and related industry; (b) the then prevailing market environment; and (c) the overall economic conditions of the PRC. As such, together with our analysis under the sub-section headed "1.1 Historical financial information of the Group", there are uncertainties around the outlook of the PRC real estate industry in the near future. Given the property management sector, of which the Group principally operates in, is considered to be one of the downstream sectors from the PRC real estate development sector, continuous completion of PRC real estate development projects would in turn create new additional demand for the property management sector as a whole, on the contrary, the reduction in completion of PRC real estate development projects would in turn dampen new additional demand for the property management sectors as a whole.

4 PRC real estate related data published by the Statistics Bureau for the first quarter of 2025 (source: www.stats.gov.cn/sj/zxfb/202504/t20250416_1959323.html)

5 PRC 2025 Government Work Report (source: www.gov.cn/yaowen/liebiao/202503/content_7010168.htm)

2. The Offer Price

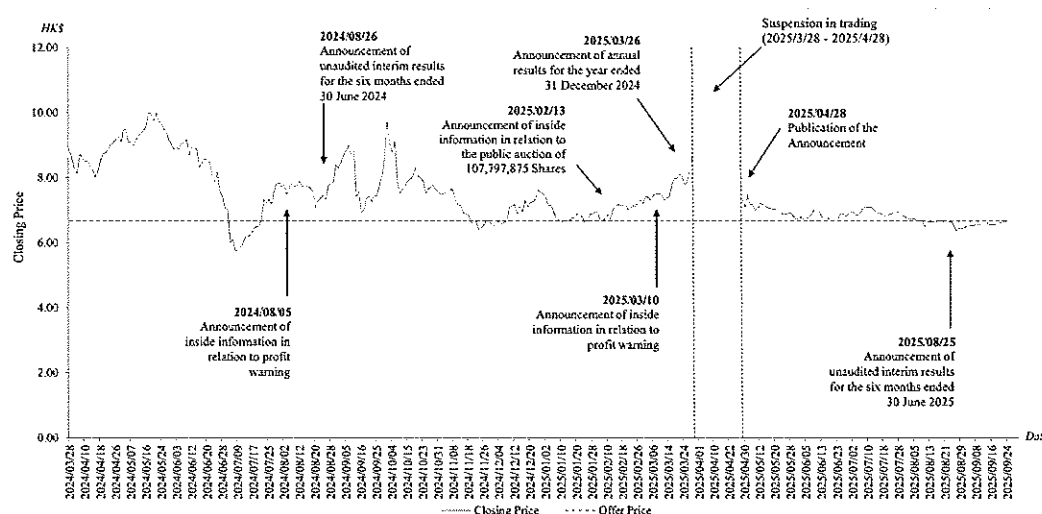
2.1 The Offer Price comparison

The Offer Price of HK\$6.67 per Offer Share represents:

- (a) a discount of approximately 0.15% to the closing price of the Shares of HK\$6.68 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 22.62% to the closing price of the Shares of HK\$8.62 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (c) a discount of approximately 17.78% to the average closing price of the Shares of HK\$8.11 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including Last Trading Date;
- (d) a discount of approximately 16.33% to the average closing price of the Shares of HK\$7.97 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date;
- (e) a discount of approximately 11.15% to the average closing price of the Shares of HK\$7.51 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Date;
- (f) a discount of approximately 7.33% to the average closing price of the Shares of HK\$7.20 per Share as quoted on the Stock Exchange for the 60 consecutive trading days up to and including the Last Trading Date;
- (g) a premium of approximately 8.64% over the 31 December 2024 Net Asset Value Per Share of approximately HK\$6.14; and
- (h) a premium of approximately 6.41% over the 30 June 2025 Net Asset Value Per Share of approximately HK\$6.27.

2.2 Historical Share price performance

We have reviewed and analysed the closing prices of Shares (a) for approximately 12 months immediately prior to the Last Trading Date commencing on 28 March 2024 and up to and including the Last Trading Date (the “**First Review Period**”), which is commonly adopted timeframe for similar share price analysis in the market and is considered to be adequately lengthy to illustrate the recent trend of the closing prices of the Shares for our analysis on the Offer Price and its trading volume for the purpose of assessing the fairness and reasonableness of the Offer Price; and (b) from the day immediately following the date of the Announcement up to and including the Latest Practicable Date (the “**Second Review Period**” together with the First Review Period, the “**Review Period**”) below:



Source: www.hkex.com.hk

The Offer Price of HK\$6.67 represents (a) a discount of approximately 10.5% to the average closing Share price of approximately HK\$7.45 per Share for the Review Period; (b) a discount of approximately 22.6% to the closing price of HK\$8.62 per Share as quoted on the Stock Exchange on the Last Trading Date; and (c) a discount of approximately 0.1% to the closing price of HK\$6.68 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

First Review Period

During the First Review Period, the closing price of Shares fluctuated between the range from HK\$5.75 (8 July 2024) to HK\$10.00 (17 and 22 May 2024), with an average of approximately HK\$7.70 per Share. As a broad trend, the closing price of Shares were generally lower in the second half of the First Review Period than the first half of the First Review Period, which could be attributable to, among others, the then published financial results of the Group as well as the prevailing market conditions and investor sentiment at the relevant time. It is noted that the Offer Price falls within the range of highest and

lowest closing price of Shares during the First Review Period and represents (a) a discount of approximately 33.3% to the highest closing price of Shares; and (b) a premium of approximately 16.0% over the lowest closing price of Shares.

As part of our analysis, we also noted that on 13 February 2025 (after trading hours), the Company issued an inside information announcement (the “**Inside Information Announcement**”) in relation to, among others, the Board was informed that the 107,797,875 Auction Shares held by Jinke Property will be subject to the Auction to be conducted by the administrator of Jinke Property and supervised by Chongqing Fifth Intermediate People’s Court (重慶市第五中級人民法院) (the “**PRC Court**”) in order to satisfy the debt owed by Jinke Property to Broad Gongga Investment Pte. Ltd. pursuant to the Enterprise Bankruptcy Law of the PRC and other applicable law and regulation (the “**Public Auction Information**”).

Although the results and/or the resultant price of Auction were uncertain at the time, since the publication of the Inside Information Announcement up to the end of the First Review Period (the “**Period**”), the closing price per Share has been on a general upward trend despite the Company issued a profit warning announcement on 10 March 2025 and its annual results for the year ended 31 December 2024 with a loss for the year of approximately RMB551.0 million, the results announcement of which was dated 26 March 2025. Such movement in the closing price of Shares during the Period may or may not be affected by the market reaction of the Public Auction Information, thus we consider that it is more appropriate to compare the Offer Price against the closing price of Shares of a reasonable period prior to 13 February 2025 (i.e. a month immediately prior to the publication of the Inside Information Announcement, being a sufficiently lengthy period of time before the publication of Inside Information Announcement, which enable us to meaningfully analyse the then prevailing closing Share prices without being affected by the contents of the Inside Information Announcement) (the “**Unaffected Period**”) than that of the corresponding period close to and including Last Trading Date.

For information purposes, during the First Review Period, there were (a) 213 trading days in which the closing price per Share was higher than the Offer Price; (b) 28 trading days in which the closing price per Share was lower than the Offer Price; and (c) 3 trading days in which the closing price per Share was equal to the Offer Price.

In this connection, from our further analysis, we noted that the Offer Price represents a discount of (a) approximately 5.8% to the closing price per Share of HK\$7.08 on 13 February 2025, i.e. the date of the Inside Information Announcement; (b) approximately 2.8% to the average closing price of the Shares of HK\$6.86 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including 13 February 2025; and (c) approximately 2.1% to the average closing price of the Shares of HK\$6.81 per Share as quoted on the Stock Exchange for the 20 consecutive trading days up to and including 13 February 2025.

It is also noted that the Offer Price, which was equivalent to the price per Share under the Auction, being a public auction conducted by the Administrator and supervised by the PRC Court, represents an open market value in its own right, given independent third parties also have rights to access, participate and bid in the subject public auction. Furthermore, the Offer Price was broadly in line with the closing prices of Shares during the Unaffected Period as analysed in the preceding paragraph. On this basis, we are of the view that the Offer Price is in line and representative of an open market price at the relevant time.

Second Review Period

Following the publication of the Announcement on 28 April 2025, the closing price per Share decreased notably from HK\$8.62 on the Last Trading Date to HK\$7.36 on the trading day immediately after the date of the Announcement, representing a decrease of approximately 14.6%. We have enquired into the possible reasons attributed to the notable decrease in closing price of Shares subsequently after the publication of the Announcement and as confirmed by the Directors, save for the information as set out in the Announcement, the Directors were not aware of any matters which might have a material effect on the price of Shares. We consider that such fluctuation in the price of Shares after the release of the Announcement may be attributable to market reactions to the Offer. Therefore, there is no assurance that the closing price of Shares will rise, fall or continue to maintain at a level equal to, above or below the Offer Price after the Latest Practicable Date and/or after closing of the Offer. Aside from such fluctuation in the closing Share price, the overall performance of the closing price of Share was broadly traded in a range with a gradual downward trend during the First Review Period.

During the Second Review Period, the closing price per Share ranged from HK\$6.38 to HK\$7.47 with an average closing price per Share of approximately HK\$6.81. For information purposes, during the Second Review Period, there were (a) 75 trading days in which the closing price per Share was higher than the Offer Price; and (b) 29 trading days in which the closing price per Share was lower than the Offer Price. The closing price per Share as at the Latest Practicable Date was HK\$6.68. The Offer Price represents (a) a discount of approximately 2.1% to the average daily closing price of Shares during the Second Review Period; and (b) a discount of approximately 0.1% to the closing price of Shares as at the Latest Practicable Date.

Shareholders should note that the information set out above is not an indicator of the future performance of Shares and that the price of Shares in the future may increase or decrease from its closing price as at the Latest Practicable Date.

2.3 Historical liquidity of the Shares

The table below sets out the trading volume of Shares during the Review Period:

Month/period	Total trading volume of the Shares	Number of trading days in the month/period	Average daily trading volume of Shares per trading day in the month/period	Percentage of average daily trading volume to total number of Shares in issue (Note 1) Approximate%	Percentage of average daily trading volume to total number of Shares held by public Shareholders (Note 2) Approximate%
<u>First Review Period</u>					
2024					
March (from 28 March 2024)	73,200	1	73,200	0.01%	0.05%
April	4,359,147	20	217,957	0.03%	0.16%
May	7,732,700	21	368,224	0.06%	0.27%
June	14,095,396	19	741,863	0.12%	0.54%
July	72,029,901	22	3,274,086	0.53%	2.37%
August	9,682,800	22	440,127	0.07%	0.32%
September	25,680,836	19	1,351,623	0.22%	0.98%
October	15,286,473	21	727,927	0.12%	0.53%
November	7,599,916	21	361,901	0.06%	0.26%
December	17,331,986	20	866,599	0.15%	0.63%
2025					
January	3,575,000	19	188,158	0.03%	0.14%
February	5,392,100	20	269,605	0.05%	0.19%
March (up to and including the Last Trading Date) (Note 3)	19,424,529	19	1,022,344	0.17%	0.74%
<u>Second Review Period</u>					
2025					
April (from 29 April 2025) (Note 3)	5,678,800	2	2,839,400	0.48%	2.05%
May	14,250,223	20	712,511	0.12%	0.52%
June	10,556,560	21	502,693	0.08%	0.36%
July	17,933,000	22	815,136	0.14%	0.59%
August	52,551,461	21	2,502,451	0.42%	1.81%
September (up to and including the Latest Practicable Date)	9,241,800	18	513,433	0.09%	0.37%

Source: www.hkex.com.hk

Notes:

1. Calculated based on the total number of the Shares in issue at the end of month/period.
2. Calculated based on the total number of the Shares held by public shareholders as set out in the Letter from the Board as at the Latest Practicable Date.
3. During the Review Period, the trading in the Shares had been halted on 28 March 2025 and trading was resumed on 29 April 2025.

As set out in the table above, during the First Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of (a) approximately 0.01% to approximately 0.53% with an average of approximately 0.12% as to the total number of issued Shares; and (b) approximately 0.05% to approximately 2.37% with an average of approximately 0.55% as to the total number of Shares held by public Shareholders. It is also noted that, save for the trading volume in July 2024, the average daily trading volume to (a) total number of Shares in issue; and (b) total number of Shares held by public Shareholders, was below trading 0.25% and 1.00% for each of the months during the First Review Period, respectively. We have made enquiries to the Management and the Management was not aware of any material information other than the published information at the relevant time, in this connection, the higher than usual trading volume in July 2024 could be attributable to the buy-back of over 6.0 million Shares by the Company as evidenced by the monthly return dated 5 August 2024 published by the Company as well as the market reaction on the news that the chairman of the Board who is also an executive Director acquired Shares in the open market on 9 July 2024 as announced by the Company on the same day.

During the Second Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of (a) approximately 0.08% to approximately 0.48% with an average of approximately 0.22% as to the total number of issued Shares; and (b) approximately 0.36% to approximately 2.05% with an average of approximately 0.95% as to the total number of Shares held by public Shareholders. However, it is noted that given there were only two trading days in April 2025 that falls within the Second Review Period (i.e. a small sample size of trading days of the month) and that one of the trading days was the first trading day after the publication of the Announcement with a notably higher volume of trading, which would have distorted the results of the trading volume analysis. On this basis, the trading volume recorded in April 2025 was excluded from our trading volume analysis below to avoid undue distortion to our analysis.

Give the percentage of average daily trading volume to total number of Shares in issue and to total number of Shares held by public Shareholders are under 0.25% and 1.00% for most of the month/period during the Review Period, it is noted that the trading liquidity of the Shares has been generally low in the open market. On this basis, realising a relatively sizeable volume of Shares in the open market may potentially impose downward pressure on the price of the Shares. Independent Shareholders who wish to sell its Share(s) should carefully consider whether to sell their Shares in the open market or accept the Offer, based on the then market price of Shares during the Offer Period.

2.4 Market comparable analysis

With a view to assess the fairness and reasonableness of the Offer Price, we have also conducted market comparable analysis by comparing the price-to-earnings ratio (the “**P/E Ratio**”), the price-to-sales ratio (the “**P/S Ratio**”) and the price-to-book ratio (the “**P/B Ratio**”) of the Company as implied by the Offer Price against that of other listed companies on the Main Board of the Stock Exchange that engages in similar business to those of the Group. It is noted that the P/E Ratio, P/S Ratio and P/B Ratio are the commonly used valuation benchmarks in evaluating the valuation of a company.

However, given the Group recorded loss attributable to the owners of the Company for FY2024, being the latest completed full financial year prior to publication of the Announcement, the P/E Ratio is not applicable for the purpose of our analysis. On this basis, we have focused our analysis on P/S Ratio and P/B Ratio. We have first considered the P/S ratio analysis, being an indicator for evaluating the value of a subject company based on the size of its revenue is not an uncommon method to assess loss making companies, such is further supplemented by the P/B Ratio given similar property management companies should have comparable asset/liability structures relative to its size and scale, which in turn facilitates us to assess its market value. On this basis, we considered that both P/S Ratio and P/B Ratio are appropriate valuation benchmark for assessing the Offer Price.

Based on the revenue of the Group for the year ended 31 December 2024 of approximately RMB4,585.4 million (equivalent to approximately HK\$5,015.3 million⁶) and the unaudited net asset value attributable to owners of the Company of approximately RMB3,421.9 million (equivalent to approximately HK\$3,742.7 million) as at 30 June 2025, the total implied value of the Company under the Offer⁷, being approximately HK\$3,982.6 million, the implied P/S ratio (the “**Implied P/S Ratio**”) and the implied P/B ratio (the “**Implied P/B Ratio**”) of the Company under the Offer would be approximately 0.79 times and 1.06 times, respectively.

For the purpose of our analysis, we have identified comparable companies based on the following criteria: (a) the shares of which are listed on the Main Board of the Stock Exchange; (b) the market capitalisation ranged between HK\$2,500 million to HK\$7,000 million as at the Last Trading Date and the Latest Practicable Date, having considered that the market capitalisation of the Group is approximately HK\$5,147 million based on the closing price of the Shares as at the Last Trading Date, approximately HK\$3,989 million based on the closing price of the Shares as at the Latest Practicable Date and the implied market capitalisation of approximately HK\$3,983 million based on the Offer Price; (c) engages in principal business similar to those of the Group, namely, the provision of property management services and

6 HKD is translated to RMB based on the exchange rate of HK\$1 to RMB0.91429, being the median exchange rate on the Latest Practicable Date as announced by the People’s Bank of China as set out in the Composite Document.

7 On the basis of the Offer Price of HK\$6.67 per Offer Share and 597,088,700 Shares in issue as at the Latest Practicable Date, the implied value of the Company is calculated to be approximately HK\$3,982.6 million.

related value-added/ancillary services in the PRC, and contributed over 80% of its total revenue for the latest completed financial year given a large majority of the Group's revenue for its latest completed financial year was derived from its residential property services and enterprise services; and (d) the trading of shares of the subject companies were not suspended on the Last Trading Date and Latest Practicable Date (the "Criteria").

Based on the Criteria, we have identified, to the best of our knowledge, an exhaustive list of six comparable companies (the "Comparable Companies"). The table below sets out the P/S Ratio and P/B Ratio, the Implied P/S Ratio and the Implied P/B Ratio of the Company under the Offer for comparison purposes.

Company Name (Stock code)	Principal Business (Revenue contribution from property management services and related value- added/ancillary services in the PRC)	Market capitalisation (Note 1) HK\$' million	P/S Ratio (Note 1)	P/B Ratio (Note 1)
Sunac Services Holdings Limited (1516)	Principally engaged in the property management and operational services, community living services and value-added services to non-property owners in the PRC. (approximately 100%)	4,982.7	0.65	0.90
Yuexiu Services Group Limited ("Yuexiu Services") (6626)	Principally engaged in in the provision of non- commercial property management and value- added services and commercial property management and operational services in the PRC. (approximately 100%)	3,935.8	0.93	1.00

Company Name (Stock code)	Principal Business (Revenue contribution from property management services and related value- added/ancillary services in the PRC)	Market capitalisation (Note 1) HK\$' million	P/S Ratio (Note 1)	P/B Ratio (Note 1)
A-Living Smart City Services Co., Ltd.* ("A- Living Smart") (3319)	Primarily engaged in the provision of property management services, related value-added services and city sanitation and cleaning services in the PRC. (approximately 91.1%)	4,032.8	0.27	0.38
C&D Property Management Group Co., Ltd ("C&D Property Management") (2156)	Principally engaged in property management services, community value- added and synergy services, value-added services to non-property owners and commercial property operation and management services in the PRC. (approximately 100%)	4,393.8	1.22	2.22
Ever Sunshine Services Group Limited (1995)	Principally engaged in the provision of property management services, community value-added services, value-added services to non-property owners and city services in the PRC. (approximately 95.8%)	3,111.4	0.42	0.56

Company Name (Stock code)	Principal Business <i>(Revenue contribution from property management services and related value-added/ancillary services in the PRC)</i>	Market capitalisation <i>(Note 1) HK\$' million</i>	P/S Ratio <i>(Note 1)</i>	P/B Ratio <i>(Note 1)</i>
Jinmao Property Services Co., Limited ("Jinmao Property Services") (0816)	Principally engaged in provision of property management services, value-added services to non-property owners and community value-added services. (approximately 99.0%)	2,640.2	0.81	1.55
	Minimum		0.27	0.38
	Maximum		1.22	2.22
	Average		0.72	1.10
	Median		0.73	0.95
			<i>Implied P/S Ratio</i>	<i>Implied P/B Ratio</i>
The Company (under the terms of the Offer)		3,988.6	0.79 <i>(Note 2)</i>	1.06 <i>(Note 3)</i>

Notes:

- For illustration purposes, the market capitalisation, the P/S Ratio and the P/B Ratio are calculated based on, where applicable, the closing price of the share of the respective Comparable Companies on the Latest Practicable Date, the total number of issued shares based on the then latest monthly return of the subject listed company published on the website of the Stock Exchange, their respective revenue for the latest completed financial year (for P/S Ratio) as at the Latest Practicable Date, and their respective latest published equity attributable to the owners of the company (for P/B Ratio) as at the Latest Practicable Date.
- The Implied P/S Ratio is calculated by (a) the Offer Price of HK\$6.67 per Offer Share multiple by 597,088,700 Shares in issue as at the Latest Practicable Date to arrive at the implied value of the Company under the Offer of approximately HK\$3,982.6 million; divided by (b) the revenue of the Group for the year ended 31 December 2024.
- The Implied P/B Ratio is calculated by (a) the Offer Price of HK\$6.67 per Offer Share multiple by 597,088,700 Shares in issue as at the Latest Practicable Date to arrive at the implied value of the Company under the Offer of approximately HK\$3,982.6 million; divided by (b) the net asset value attributable to the owners of the Company as at 30 June 2025.

Analysis on P/S Ratio

It is noted from the above table that the P/S Ratio of the Comparable Companies ranged from approximately 0.27 times (A-Living Smart) to approximately 1.22 times (C&D Property Management), with an average and median of approximately 0.72 times and 0.73 times, respectively. Based on their respective latest published financial statements, the revenue recorded by the Comparable Companies for the latest completed financial year ranged from approximately HK\$3,244.0 million (Jinmao Property Services) to approximately HK\$15,167.2 million (A-Living Smart). The Implied P/S Ratio of the Company as represented by the Offer Price of approximately 0.79 times, which is within the range and above the average and the median of P/S Ratio of the Comparable Companies. As the Implied P/S Ratio is within the range of the P/S Ratio of the Comparable Companies, such indicates that the Offer Price represents a premium relative to the average of Comparable Companies from a P/S Ratio perspective.

Analysis on P/B Ratio

It is noted from the above table that the P/B Ratio of the Comparable Companies ranged from approximately 0.38 times (A-Living Smart) to 2.22 times (C&D Property Management), with an average and median of approximately 1.10 times and 0.95 times, respectively. Based on their respective latest published financial statements, the equity attributable to its owners recorded by the Comparable Companies ranged from approximately HK\$1,701.8 million (Jinmao Property Services) to approximately HK\$10,624.2 million (A-Living Smart). The Implied P/B Ratio of the Company as represented by the Offer Price of approximately 1.06 times, which is within range, lower than the average of the P/B Ratio of the Comparable Companies, but above the median of the P/B Ratio of the Comparable Companies. The Implied P/B Ratio is within the range of the P/B Ratio of the Comparable Companies and the Offer Price represents a slight discount relative to the average, but a premium relative to the median of Comparable Companies from a P/B Ratio perspective.

2.5 Summary

Notwithstanding that the Offer Price is at a discount to the closing of the Last Trading Date and the average closing prices of Shares during the Review Period, having considered:

- (a) the Offer Price falls within the range of closing price of Shares during the Review Period, which indicates that the Offer Price is aligned with the market's range of pricing of the Shares during the Review Period as reflected by the historical trading range without significant deviation, therefore supporting that the Offer Price is within the normal Share price fluctuation during the Review Period;

- (b) during the First Review Period, there were (i) 213 trading days in which the closing price per Share was higher than the Offer Price; (ii) 28 trading days in which the closing price per Share was lower than the Offer Price; and (iii) 3 trading days in which the closing price per Share was equal to the Offer Price, and during the Second Review Period, there were (i) 75 trading days in which the closing price per Share was higher than the Offer Price; and (ii) 29 trading days in which the closing price per Share was lower than the Offer Price;
- (c) the Offer Price is in line with the closing price per Share during the Unaffected Period;
- (d) historical trading volume of the Shares is relatively thin, in particular, during the First Review Period;
- (e) the Implied P/S Ratio is within the range and above the average and median of the P/S Ratio of the Comparable Companies, which indicates that the Offer Price represents a premium relative to the average and median of Comparable Companies from a P/S Ratio perspective;
- (f) the Implied P/B Ratio is also within the range, below the average, but above the median of the P/B Ratio of the Comparable Companies, which indicates that the Offer Price represents a discount relative to the average and a premium relative to the median of Comparable Companies from a P/B Ratio perspective;
- (g) the Company has recorded a loss for the year attributable to its owners for each of the past three financial years ended 31 December 2022, 2023 and 2024, which ranged from approximately RMB587.3 million (FY2024) to approximately RMB1,818.5 million (FY2022) but recorded a profit attributable to its owners for the six months ended 30 June 2025 of approximately RMB65.0 million; and
- (h) the Offer Price is equivalent to the total consideration for the Auction Shares of RMB666,835,067.60 (equivalent to HK\$717,976,536.28, based on the Applicable PBOC RMB:HKD Exchange Rate), and a consideration of RMB6.19 per Auction Share (equivalent to HK\$6.67 per Auction Share, based on the Applicable PBOC RMB:HKD Exchange Rate) under the Auction, being a public auction conducted by the administrator of Jinke Property and supervised by the PRC Court, represents an open market value in its own right, given independent third parties also have rights to access and participate and bid in the subject public auction,

we consider the Offer Price under the Offer to be fair and reasonable so far as the Independent Shareholders are concerned.

3. Information on the Offeror and the intention of the Offeror in relation to the Group

3.1 Information on the Offeror and the Boyu Group

As set out in the Letter from CICC, the Offeror is an investment holding company incorporated in Singapore with limited liability. The Offeror is 100% owned by Top Yingchun Investment IV, which is in turn held as to 71.43% by Jubilant Summer Limited, a company held as to 100% by Jubilant Springtime, LP. Jubilant Winter Limited held 100% interests in Jubilant Springtime, LP as its limited partner. Jubilant Season Limited is the general partner of Jubilant Springtime, LP. Both of Jubilant Winter Limited and Jubilant Season Limited are held as to 100% by Boyu Capital Fund V, Pte, Ltd, which is in turn held as to 100% by Boyu Capital Fund V. The general partner of Boyu Capital Fund V is Boyu Capital General Partner V, Ltd., which in turn held as to 100% by Boyu. Boyu is held as to 45.70% by XYXY Holdings Ltd., a company held as to 100% by Mr. Tong Xiaomeng. By virtue of the SFO, each of Top Yingchun Investment IV, Jubilant Summer Limited, Jubilant Springtime, LP, Jubilant Winter Limited, Jubilant Season Limited, Boyu Capital Fund V, Pte, Ltd, Boyu Capital Fund V, Boyu Capital General Partner V, Ltd., Boyu, XYXY Holdings Ltd. and Mr. Tong Xiaomeng are deemed to be interested in the Shares held by the Offeror.

Thematic Bridge is an investment holding company incorporated in Singapore with limited liability, which is owned by funds managed by subsidiaries of Boyu. The ultimate controlling shareholder of Thematic Bridge is Boyu.

Founded in 2011, Boyu Group is an alternative asset management group with a comprehensive collaborative platform, focusing on private equity investment, listed company investment, venture capital investment and real estate and special opportunity investment. Using a theme-driven and long-term oriented approach, Boyu Group provides growth and transformational capital to leading companies in sectors including high technology, healthcare, consumer and business services. Entities within the Boyu Group have also acted as the investment manager or the investment adviser of funds that have made investments in portfolio companies across various industries, including real estate and property management companies located in Asia, such as Onewo Inc. (2602.HK).

As set out in the 2024 Annual Report, Boyu Group became the single largest Shareholder of the Company in 2022. As set out in the published disclosure of interests information dated 15 December 2021 and in the announcement of the Company dated 16 December 2021, Boyu Group became a substantial Shareholder of the Company since December 2021. Each of Mr. Wu Xiaoli, Ms. Lin Ke and Mr. Qi Shihao, being representatives of the Boyu Group, has been appointed as a non-executive director of the Company since 18 August 2022, 18 August 2022 and 7 December 2023, respectively.

The Offeror is an investment holding entity within the Boyu Group. The Boyu Group is primarily focused on passive investments including private equity investments, publicly listed companies and venture capital. Upon the completion of the Offer, the Offeror intends to maintain the Group's operations under a professional management model.

As at the Latest Practicable Date, the managers of Boyu are Yixin, Ltd. (of which Mr. Tong Xiaomeng is the sole shareholder and sole director) and JH Capital Holdings Ltd. (of which Dr. Cheung, Chi Yan Louis is the sole shareholder and sole director). Yixin, Ltd. and JH Capital Holdings Ltd., each as a manager of Boyu, oversees the operations and management of Boyu.

3.2 Intentions of the Offeror in relation to the Group

As set out in the Letter from CICC, it is the intention of the Offeror to continue with the existing businesses of the Group and the Offeror does not intend to introduce any major changes to the businesses of the Group. Accordingly, there will be no material change to the existing businesses or the employment of the existing employees of the Group as a result of the Offer. In addition, the Offeror has no intention to dispose of the assets of the Company other than those in the ordinary and usual course of business. As at the Latest Practicable Date, the Offeror, being a financial investor, has not formulated any concrete plans for any material disposal of assets of the Group.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons for the Offer, including:

- (a) the Offer Price, which was equivalent to the price per Share under the Auction, being a public auction conducted by the Administrator and supervised by the PRC Court, represents an open market value in its own right, given independent third parties also have rights to access, participate and bid in the subject public auction;
- (b) the Offer Price falls within range of the highest and lowest closing price of Shares during the First Review Period and is in line with the closing price per Share during the Unaffected Period, which indicates that the Offer Price is aligned with the market's range of pricing of the Shares during the Review Period as reflected by the historical trading range without significant deviation, therefore supporting that the Offer Price is within the normal Share price fluctuation during the Review Period. For information purposes, during the First Review Period, there were (i) 213 trading days in which the closing price per Share was higher than the Offer Price; (ii) 28 trading days in which the closing price per Share was lower than the Offer Price; and (iii) 3 trading days in which the closing price per Share was equal to the Offer Price. During the Second Review Period, there were (i) 75 trading days in which the closing price per Share was higher than the Offer Price; and (ii) 29 trading days in which the closing price per Share was lower than the Offer Price;
- (c) the Offer Price of HK\$6.67 represents a premium of approximately 6.41% over the 30 June 2025 Net Asset Value Per Share of approximately HK\$6.27;

- (d) the Implied P/S Ratio under the Offer of approximately 0.79 times is within the range of the P/S Ratio of the Comparable Companies, being from approximately 0.27 times to approximately 1.22 times, and above the average and median P/S Ratio of the Comparable Companies of approximately 0.72 times and 0.73 times, respectively;
- (e) the Implied P/B Ratio under the Offer of approximately 1.06 times is within the range of the P/B Ratio of the Comparable Companies, being from approximately 0.38 times to approximately 2.22 times, lower than the average of the Comparable Companies of approximately 1.10 times, but above the median of the P/B Ratio of the Comparable Companies of approximately 0.95 times;
- (f) our analysis on the historical financial performance and position of the Group as set out under paragraph headed “1. Financial information of the Group and industry outlook” which recorded a loss attributable to its owners for each of the three years ended 31 December 2022, 2023 and 2024, and despite the 2025 Interim Report which sets out that the Group recorded a profit attributable to owners of the Company of approximately RMB65.0 million for the six months ended 30 June 2025, there are uncertainties in terms of the prevailing market environment, PRC government policies and economic conditions, which would affect the outlook of the PRC real estate industry in the near future, which may in turn affect the growth prospects of the property management sector as well as the intention of the Offeror to continue with the Group’s existing principal business activities. It is also noted that while maintaining the listing status of the Company on the Main Board of the Stock Exchange, as at the Latest Practicable Date, the Offeror has not finalised any plans in relation to the future development of the Company’s business;
- (g) during each of the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, no dividend had been declared by the Company. As at the Latest Practicable Date, the Company has no outstanding dividend or other distribution that has been declared, made but not yet paid. In addition, the Company does not intend to declare, pay and/or make any dividend or other distribution on the Shares during the Offer Period. In this connection, Independent Shareholders should take into account (i) the consolidated financial performance of the Group with loss and total comprehensive income for the year attributable to owners of the Company during the three consecutive financial years ended 31 December 2024; (ii) the consolidated financial performance of the Group with profit and total comprehensive income for the six months ended 30 June 2025 attributable to owners of the Company as set out in the 2025 Interim Results Announcement; (iii) the stated dividend policy of the Group which sets out that the Board recommended the cash dividend for the full year ended 31 December 2021 to 2025 of not less than 40% of profit attributable to owners of the Company for the subject year as set out in the 2024 Annual Report; and (iv) as the financial year ending 31 December 2025 is not yet completed, there are no certainties that the Group will distribute dividend under the stated dividend policy; and

- (h) the Independent Shareholders shall also consider and monitor the trading volume of Shares during the Offer Period given the thin historical trading volume of the Shares on the Stock Exchange as discussed under the section headed “2.3 Historical liquidity of the Shares” in this letter, they may experience difficulty in disposing significant number of their Shares in the open market without creating downward pressure on the price of Shares and that there is no assurance on whether the Share price and liquidity can maintain at the prevailing level beyond the Offer Period. The Offer provides the Independent Shareholders with an assured exit if they wish to realise their investments in Shares at the Offer Price,

we are of the opinion that the Offer are fair and reasonable so far as the Independent Shareholders are concerned. However, in view of the volatility of the Share price during the Second Review Period and that the Shares have traded above the Offer Price for a majority of the trading days during the Second Review Period, those Independent Shareholders who intend to accept the Offer are reminded that they should closely monitor the market price of Shares during the Offer Period and should consider selling their Shares in the open market, rather than accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer. On this basis, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to accept the Offer if the amount they can receive under the Offer is higher than the net proceeds from the sale of such Shares in the open market.

As each individual Independent Shareholder would have different investment objectives and/or circumstances, we recommend any Independent Shareholders who may require advice in relation to any aspect of the Offer and/or the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, they should carefully read the procedures for accepting the Offer as set out in the Composite Document, its appendices and the accompanying Form of Acceptance.

Yours faithfully
For and on behalf of
Red Sun Capital Limited



Lewis Lai
Managing Director

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in the corporate finance industry.

* For identification purpose only