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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 of Ronshine China Holdings Limited, you should at once hand this circular together with 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 the transferee.

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Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3301)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



東興證券(香港)
DONGXING SECURITIES (HONG KONG)

Capitalised terms used in this cover page shall have the same meanings as defined in this circular unless otherwise specified.

A notice convening the EGM of the Company to be held on Monday, 13 February 2023 at 10:00 a.m. at Room 1101, Floor 11, Tower 2, Ronshine Sunkwan Center, Lane 77, Shangkun Road, Minhang District, Shanghai, China is set out on pages EGM-1 to EGM-3 of this circular and a form of proxy for the EGM is despatched together with this circular. Shareholders who intend to appoint a proxy to attend the EGM shall complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar 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 but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment meeting (as the case may be). The completion of a form of proxy will not preclude Shareholders from attending and voting at the EGM in person should they so wish, and in such case, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page ii of this circular for the measures to be implemented at the EGM by the Company to safeguard the health and safety of the attendees and to prevent the spreading of the novel coronavirus ("COVID-19") pandemic, including:

- (1) compulsory body temperature check;
- (2) compulsory wearing of surgical face mask; and
- (3) no refreshments or drinks will be served.

Attendees who do not comply with the precautionary measures (1) and (2) above may be denied entry into the EGM venue at the absolute discretion of the Company as permitted by law. The Company wishes to advise the Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the EGM arrangements. Shareholders should check the websites of the Company and the Stock Exchange for further announcement and update on the EGM arrangements, if any.

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement necessary preventive measures at the EGM to protect attending Shareholders, Directors, proxies and other attendees from the risk of infection, including:

- (1) compulsory body temperature check will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.6 degrees Celsius, or is exhibiting flu-like symptoms may be denied entry into the EGM venue or be required to leave the EGM venue;
- (2) attendees are required to wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats and as such, the Company may limit the number of attendees in a single meeting room and where necessary, multiple meeting rooms with telecommunication facilities and/or computer devices will be put in use; and
- (3) no refreshments or drinks will be served.

Attendees who do not comply with the precautionary measures (1) and (2) above may be denied entry into the EGM venue at the absolute discretion of the Company as permitted by law, or be required to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all attendees' health and safety, the Company wishes to advise all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using forms of proxy with voting instructions duly completed, the Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person.

A form of proxy for use at the EGM is attached to this circular and can be downloaded from the Company's website (<http://www.rongxingroup.com>). If you are not a registered Shareholder (if your Shares are held via banks, brokers or custodians), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

DEFINITIONS

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

“2020 Landscape Engineering Services Framework Agreement”	the agreement dated 10 January 2020 entered into between Xiujing Landscape and the Company in relation to the provision of the Landscape Engineering Services by Xiujing Landscape to the Group for the term commencing from the date of the 2020 Landscape Engineering Services Framework Agreement and ended on 31 December 2022 (both days inclusive)
“2020 Master Ronshine Property Management and Related Services Agreement”	the agreement dated 3 November 2020 entered into between Ronshine Service and the Company in relation to the provision of Property Management and Related Services by Ronshine Service and its subsidiaries to the Group for a term from 3 November 2020 and ended on 31 December 2022 (both days inclusive)
“2023 Landscape Engineering Services Framework Agreement”	the agreement dated 23 November 2022 entered into between Xiujing Landscape and the Company in relation to the provision of the Landscape Engineering Services by Xiujing Landscape to the Group for the term commencing from the Commencement Date and ending on 31 December 2025 (both days inclusive)
“2023 Master Ronshine Property Management and Related Services Agreement”	the agreement dated 23 November 2022 entered into between Ronshine Service and the Company in relation to the provision of Property Management and Related Services by Ronshine Service and its subsidiaries to the Group for a term commencing from the Commencement Date and ending on 31 December 2025 (both days inclusive)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Commencement Date”	the date on which all necessary requirements under the Listing Rules in respect of the transactions contemplated under the New Framework Agreements having been fulfilled (including but not limited to obtaining Independent Shareholders’ approval at the EGM)

DEFINITIONS

“Company” or “Ronshine China”	Ronshine China Holdings Limited (融信中國控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3301)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held on Monday, 13 February 2023 at 10:00 a.m. at Room 1101, Floor 11, Tower 2, Ronshine Sunkwan Center, Lane 77, Shangkun Road, Minhang District, Shanghai, China for the purpose of considering and, if thought fit, approving the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent board committee comprising all independent non-executive Directors, namely Mr. Ren Yunan, Mr. Ruan Weifeng and Mr. He Jiarong, formed to advise the Independent Shareholders in relation to the New Framework Agreements, the transactions contemplated thereunder and the proposed annual caps for those transactions for the three years ending 31 December 2025
“Independent Financial Adviser”	Dongxing Securities (Hong Kong) Company Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities 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 New Framework Agreements and the transactions contemplated thereunder

DEFINITIONS

“Independent Shareholders”	the Shareholders other than Shareholders with a material interest in the transactions contemplated under the New Framework Agreements
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons
“Landscape Engineering Services”	as defined under the paragraph headed “B. 2023 Landscape Engineering Services Framework Agreement” in the section headed “Letter from the Board” of this circular
“Latest Practicable Date”	17 January 2023, being the latest practicable date prior to the printing of this circular, for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Mr. Ou” or “Interested Director”	Mr. Ou Zonghong, a controlling Shareholder, an executive Director, the chief executive officer and the chairman of the Company
“New Framework Agreements”	the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement, collectively
“PRC”	the People’s Republic of China
“Property Management and Related Services”	as defined under the paragraph headed “A. 2023 Master Ronshine Property Management and Related Services Agreement” in the section headed “Letter from the Board” of this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Ronshine Service”	Ronshine Service Holding Co., Ltd (融信服務集團股份有限公司), a company established in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2207), and was indirectly owned as to approximately 73.80% by Mr. Ou as at the Latest Practicable Date

DEFINITIONS

“Ronshine Service Group”	Ronshine Service and its subsidiaries
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shares”	ordinary shares with a par value of HK\$0.00001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiujing Landscape”	Xiujing (Fujian) Landscape Engineering Company Limited* (秀景(福建)園林工程有限公司), a company established in the PRC and is owned as to 99% by Mr. Ou Guopeng (the son of Mr. Ou) and 1% by an individual who is an Independent Third Party as at the Latest Practicable Date
“%”	per cent

* For identification purpose only

LETTER FROM THE BOARD



Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3301)

Executive Directors:

Mr. Ou Zonghong
(Chairman and Chief Executive Officer)
Ms. Yu Lijuan
Ms. Zeng Feiyan
Mr. Zhang Lixin
Mr. Wu Jianxing

Non-executive Director:

Mr. Li Shupeí

Independent Non-executive Directors:

Mr. Ren Yunan
Mr. Ruan Weifeng
Mr. He Jiarong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Place of Business in Hong Kong:

Room 1210, 12/F
ICBC Tower
3 Garden Road
Central
Hong Kong

20 January 2023

To the Shareholders,

Dear Sirs/Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 23 November 2022. On 23 November 2022 (after trading hours), the Company entered into the New Framework Agreements, which are subject to Independent Shareholders' approval at the EGM.

At the EGM, resolutions will be proposed for the Independent Shareholders to approve, the New Framework Agreements, their respective annual caps and transactions contemplated thereunder.

The purpose of this circular is to provide the Shareholders with (i) further information on the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions); (ii) a letter from the Independent Financial Adviser; (iii) a letter from the Independent Board Committee; and (iv) a notice convening the EGM.

LETTER FROM THE BOARD

CONTINUING CONNECTED TRANSACTIONS AND THEIR RESPECTIVE ANNUAL CAPS

A. 2023 Master Ronshine Property Management and Related Services Agreement

Reference is made to the announcement of the Company dated 3 November 2020 in relation to the 2020 Master Ronshine Property Management and Related Services Agreement, pursuant to which Ronshine Service Group agreed to provide Property Management and Related Services to the Group for a term of three years.

As the 2020 Master Ronshine Property Management and Related Services Agreement expired on 31 December 2022 and since it is anticipated that the Group will continue to procure the Property Management and Related Services from Ronshine Service Group, the Company entered into the 2023 Master Ronshine Property Management and Related Services Agreement with Ronshine Service to renew the 2020 Master Ronshine Property Management and Related Services Agreement for a term commencing from the Commencement Date to 31 December 2025 (both days inclusive).

Set out below are the principal terms of the 2023 Master Ronshine Property Management and Related Services Agreement:

Date:	23 November 2022
Parties:	(i) the Company; and (ii) Ronshine Service
Subject:	Pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement, the parties agreed that Ronshine Service Group will provide property management and related services to the properties owned or used by the Group in the PRC, including but not limited to (i) preliminary planning and design consultancy services and pre-delivery services which primarily include cleaning and inspection, (ii) property sales offices and display units management services which primarily include security, cleaning and customer reception services, (iii) property management services for the properties (including unsold units and car parking spaces) owned or used by the Group, (iv) value-added services which primarily include house and facility repair and maintenance, marketing promotion, property agency services, (v) commercial operational services, (vi) sales agency services in respect of certain car parking spaces owned by the Group, and (vii) sales of goods or services related to property activities (collectively, the “ Property Management and Related Services ”).
Term:	Subject to the Independent Shareholders’ approval at the EGM, the 2023 Master Ronshine Property Management and Related Services Agreement has a fixed term commencing from the Commencement Date to 31 December 2025 (both days inclusive).

LETTER FROM THE BOARD

Payment: Payment for the Property Management and Related Services will be settled by bank transfer at credit terms to be agreed by the parties in accordance with market practice. In brief, Ronshine Service shall submit the last month's service settlement sheet and relevant evidential documents to Ronshine China every month, and Ronshine China shall make payment in the current month; or the first payment shall be paid within three months after the signing of the contract, and the remaining payment shall be paid within one month after the end of the service.

Annual caps: Pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement, it is proposed that the cap amount for the Property Management and Related Services for the three financial years ending 31 December 2025 is expected not to exceed the following:

For the year ending 31 December	Proposed annual cap (RMB)
2023	150,000,000
2024	150,000,000
2025	150,000,000

The 2023 Master Ronshine Property Management and Related Services Agreement is the framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, separate agreements may be entered into between Ronshine Service (and/or its subsidiaries) and the Company (and/or its subsidiaries) for the transactions contemplated under the 2023 Master Ronshine Property Management and Related Services Agreement.

Historical transaction amounts and existing annual caps for the provision of the Property Management and Related Services

The historical transaction amounts and the existing annual cap amounts for the provision of the Property Management and Related Services under the 2020 Master Ronshine Property Management and Related Services Agreement are as follows:

For the year ended 31 December	Existing annual cap (RMB)	Actual transaction amount (RMB)
2020	(Note)	268,828,086
2021	342,000,000	331,228,000
2022	368,000,000	136,891,805*

Note: The original annual cap for the year ended 31 December 2020 was RMB250 million, and the actual transaction amount during this period was approximately RMB228,694,086. Upon entering into of the 2020 Master Ronshine Property Management and Related Services Agreement on 3 November 2020, the annual cap for the period from 3 November 2020 till 31 December 2020 was adjusted to RMB62 million, and the actual transaction amount during this period was RMB40,134,000. Please refer to pages 53 to 54 of the Company's 2020 annual report published on 29 April 2021 for details.

* for the ten months ended 31 October 2022 (unaudited)

The Directors confirm that the existing annual cap for the provision of the Property Management and Related Services for the year ended 31 December 2022 had not been exceeded up to the Latest Practicable Date.

LETTER FROM THE BOARD

Basis of the proposed annual caps for the 2023 Master Ronshine Property Management and Related Services Agreement

The proposed annual caps for the Property Management and Related Services for each of the three financial years ending 31 December 2025 were determined by reference to: (i) the historical transaction amounts payable by the Group to Ronshine Service Group for the two years ended 31 December 2021 and ten months ended 31 October 2022; and (ii) the expected amount of service fees payable to Ronshine Service for the provision of Property Management and Related Services with reference to (a) the anticipated decrease in the demand for Property Management and Related Services required by the Group during the term of the 2023 Master Ronshine Property Management and Related Services Agreement taking into account of the number of property development projects of the Group in the PRC and the expected area to be completed for each year during the term of the 2023 Master Ronshine Property Management and Related Services Agreement; and (b) the unit price per square meter as agreed from time to time.

It is expected that there will be a decrease in demand for the Property Management and Related Services by the Group from the year ending 31 December 2023 to the year ending 31 December 2025 owing to the decrease in number of property development projects.

Pricing policy

As a general principle, the price and terms of the individual services agreements in respect of the Property Management and Related Services to be provided pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis and at prices and on terms no less favorable than those provided by Independent Third Parties to the Group.

Subject to the general principle disclosed above, the service fee payable by the Company to Ronshine Service for the Property Management and Related Services shall be determined with reference to:

- (i) the total area, locations, and conditions of the property projects of the Group in the PRC for which Property Management and Related Services are required by the Group for the respective periods;
- (ii) the costs to be incurred by Ronshine Service for the provision of the Property Management and Related Services (including the scope of the services and the anticipated operation costs including but not limited to labor costs, administration costs and costs of materials, salaries and benefits, costs incurred for the use of facilities and disbursements to third parties etc.);
- (iii) the quality of services provided by Ronshine Service and level of customer satisfaction;
- (iv) Ronshine Service's ability to improve the branding and marketing prospects of the Group's property projects through Ronshine Service's quality pre-delivery and property management services; and
- (v) the comparable market price where the normal costs of property management services concerned will be taken into account.

LETTER FROM THE BOARD

Reasons for and benefits of entering into the 2023 Master Ronshine Property Management and Related Services Agreement

Based on the established long-term cooperation relationship with Ronshine Service Group, and taking into consideration of the quality of the management services previously provided to the Group by Ronshine Service Group, the Board is of the view that Ronshine Service Group has competitive strengths over other independent service providers of similar management services in the PRC.

As customer feedback and rankings are important indicators of the quality of property management services, and quality property management services will elevate the Group's property branding and customer ratings, and increase the market share of the Company's properties, it is industry practice to pay branding support fee to good property management companies to achieve the aforesaid. At the same time, the early involvement of pre-delivery property management conforms to the concept of "complete cycle management" of properties. The aforesaid involvement in the planning, design and development of the properties serves important and irreplaceable purposes in the improvement of properties function. It ensures quality of property construction, reduction of early stage capital investment, and reduction of costly late-stage alteration fees.

Accordingly, the Directors (including the independent non-executive Directors whose view is set out in "Letter from the Independent Board Committee" of this circular and excluding the Interested Director) considered that the terms of the 2023 Master Ronshine Property Management and Related Services Agreement (including the proposed annual caps) and the transactions contemplated thereunder are fair and reasonable and the entering into of the 2023 Master Ronshine Property Management and Related Services Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

B. 2023 Landscape Engineering Services Framework Agreement

Reference is made to the announcement of the Company dated 10 January 2020 in relation to the 2020 Landscape Engineering Services Framework Agreement, pursuant to which Xiujing Landscape agreed to provide the Landscape Engineering Services to the Group.

As the 2020 Landscape Engineering Services Framework Agreement expired on 31 December 2022 and since it is anticipated that the Group will continue to procure the Landscape Engineering Services from Xiujing Landscape, the Company entered into the 2023 Landscape Engineering Services Framework Agreement with Xiujing Landscape to renew the 2020 Landscape Engineering Services Framework Agreement for a term commencing from the Commencement Date to 31 December 2025 (both days inclusive).

LETTER FROM THE BOARD

Set out below are the principal terms of the 2023 Landscape Engineering Services Framework Agreement:

- Date: 23 November 2022
- Parties: (i) the Company; and
(ii) Xiujing Landscape
- Subject: Pursuant to the 2023 Landscape Engineering Services Framework Agreement, the parties agreed that Xiujing Landscape will provide, among others services, (i) landscape engineering design services; (ii) landscape construction; and (iii) sale and nursery of horticultural plants (collectively, the “**Landscape Engineering Services**”) to the property projects of the Group in the PRC, including but not limited to those in Fuzhou, Xiamen, Zhangzhou, Shanghai, Hangzhou and Chengdu.
- Term: Subject to the Independent Shareholders’ approval at the EGM, the 2023 Landscape Engineering Services Framework Agreement has a fixed term commencing from the Commencement Date to 31 December 2025 (both days inclusive).
- Payment: Payment for the Landscape Engineering Services will be settled by bank transfer or any other means to be agreed by the parties to the 2023 Landscape Engineering Services Framework Agreement. In brief, Xiujing Landscape shall, on a monthly basis, submit the output value of the current month, and pay progress payment (usually 75% of the output value) according to a certain proportion of the output value in the next month after the Company’s review; the second payment shall be paid after the project passes the acceptance (usually 85% of the contract price); the third payment shall be paid after the project is handed over to the Company (usually 95% of the settlement amount); and the remaining 5% shall be paid to Xiujing Landscape after the warranty period expires.
- Annual caps: Pursuant to the 2023 Landscape Engineering Services Framework Agreement, it is proposed that the cap amount for the Landscape Engineering Services for the three financial years ending 31 December 2025 is expected not to exceed the following:

For the year ending 31 December	Proposed annual cap (RMB)
2023	150,000,000
2024	30,000,000
2025	30,000,000

The 2023 Landscape Engineering Services Framework Agreement is the framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, separate agreements may be entered into between Xiujing Landscape and/or its subsidiaries and the Company and/or its subsidiaries for the transactions contemplated under the 2023 Landscape Engineering Services Framework Agreement.

LETTER FROM THE BOARD

Historical transaction amounts and existing annual caps for the provision of the Landscape Engineering Services

The historical transaction amounts and the existing annual caps for the provision of the Landscape Engineering Services under the 2020 Landscape Engineering Services Framework Agreement are as follows:

For the year ended 31 December	Existing annual cap	Actual transaction amount
	<i>(RMB)</i>	<i>(RMB)</i>
2020	400,000,000	210,753,000
2021	500,000,000	315,109,000
2022	600,000,000	289,156,000*

* for the ten months ended 31 October 2022 (unaudited)

The Directors confirm that the existing annual cap for the provision of Landscape Engineering Services for the year ended 31 December 2022 had not been exceeded up to the Latest Practicable Date.

Basis of the proposed annual caps for the 2023 Landscape Engineering Services Framework Agreement

The proposed annual caps for the Landscape Engineering Services under the 2023 Landscape Engineering Services Framework Agreement for each of the three financial years ending 31 December 2025 were determined by reference to: (i) the historical transaction amounts payable by the Group to Xiujing Landscape for the two years ended 31 December 2021 and ten months ended 31 October 2022; (ii) the number of existing property projects together with the expected total area of such property projects that require the Landscape Engineering Services and the number of property projects together with the total area of such property projects expected to be undertaken by the Group in each of the years ending 31 December 2023, 2024 and 2025 based on the Group's five-year plan, which require the Landscape Engineering Services and the estimated service fee to be charged by Xiujing Landscape; (iii) the historical costs incurred by the Group on landscape engineering in respect of the Group's previous property projects; and (iv) the general market prices in respect of the Landscape Engineering Services by obtaining at least two Independent Quotations (as defined below).

It is expected that there will be a decrease in the Landscape Engineering Services required by the Group from the year ending 31 December 2023 to the year ending 31 December 2025 owing to the decrease in number of property development projects.

Pricing policy

As a general principle, the price and terms of the individual services agreements in respect of the Landscape Engineering Services to be provided pursuant to the 2023 Landscape Engineering Services Framework Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis and at prices and on terms no less favorable than those provided by Independent Third Parties to the Group.

LETTER FROM THE BOARD

Subject to the general principle disclosed above, the service fees payable by the Company to Xiujing Landscape for the Landscape Engineering Services shall be determined with reference to:

- (i) the total area of the property projects of the Group in the PRC for which the Landscape Engineering Services are required;
- (ii) the costs to be incurred by Xiujing Landscape for the provision of the Landscape Engineering Services (including the salaries and benefits in respect of the employment of the relevant employees of Xiujing Landscape, the raw material costs and the costs of purchase or rental of facilities or equipment for the provision of the Landscape Engineering Services); and
- (iii) the comparable market price for the provision of the Landscape Engineering Services by other similar providers.

In determining the costs to be incurred by Xiujing Landscape, the internal control department of the Company will conduct regular research and study on market data such as (i) compensation package of personnel in similar industry; (ii) prevailing market prices of relevant raw materials required for landscape construction; and (iii) the number and types of facilities or equipment required for landscape construction, and review and assess the reasonableness of the quotations (including the incurred costs) submitted by Xiujing Landscape to the Group for approval.

In addition, the Group will obtain at least two quotations from other Independent Third Parties providing similar services in the market (the “**Independent Quotations**”) and conduct online research in respect of similar services provided by other independent service providers in the market, and make comparison with respect to the Independent Quotations. In the event that the Group is able to obtain a price from comparable Independent Third Party service providers which is more favourable than those offered by Xiujing Landscape, the Group will negotiate the pricing terms with Xiujing Landscape. The Group will only procure Landscape Engineering Services from Xiujing Landscape if the service fees payable to Xiujing Landscape will not exceed what could be offered by other Independent Third Party service providers in the market.

Reasons for and benefits of entering into the 2023 Landscape Engineering Services Framework Agreement

Based on the established long-term cooperation relationship with Xiujing Landscape, and taking into consideration of the quality of the Landscape Engineering Services provided to the Group by Xiujing Landscape, the Board is of the view that Xiujing Landscape has competitive strengths over other independent service providers of similar landscape engineering services in the PRC and considers that the 2023 Landscape Engineering Services Framework Agreement will enable the Group to obtain stable landscape engineering service provision for the Group’s property development projects from time to time, and continue to maintain the excellent and established cooperation relationship with Xiujing Landscape.

LETTER FROM THE BOARD

Accordingly, the Directors (including the independent non-executive Directors whose view is set out in “Letter from the Independent Board Committee” of this circular and excluding the Interested Director) considered that the terms of the 2023 Landscape Engineering Services Framework Agreement (including the proposed annual caps) and the transactions contemplated thereunder are fair and reasonable and the entering into of the 2023 Landscape Engineering Services Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Ronshine Service was indirectly owned as to approximately 73.80% by Mr. Ou, a controlling Shareholder, an executive Director, the chief executive officer and the chairman of the Company. Ronshine Service and its subsidiaries are therefore connected persons of the Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Master Ronshine Property Management and Related Services Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, Xiujing Landscape is owned as to 99% by Mr. Ou Guopeng, the son of Mr. Ou, a controlling Shareholder, an executive Director, the chief executive officer and the chairman of the Company, and 1% by an individual who is an Independent Third Party. As Xiujing Landscape is an associate of Mr. Ou, it is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Landscape Engineering Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the proposed annual caps under each of the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement is more than 5%, the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement are subject to the reporting, annual review, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

Subject to the general principle disclosed above, the pricing policy will be supervised and monitored by the relevant personnel from the finance department, the legal department and the management of the Group in charge to ensure that the New Framework Agreements are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel and management of the Group will also conduct regular checks on a quarterly basis to review and assess whether the transactions contemplated under each of the New Framework Agreements are conducted in accordance with their respective terms and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under each of the New Framework Agreements and the Company’s auditors will also conduct an annual review on the pricing terms and annual caps thereof. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the New Framework Agreements have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION OF THE PARTIES INVOLVED

The Company is an investment holding company. The Group is a property developer in the PRC, focusing on the development of residential properties in cities in the Western Taiwan Straits Economic Zone and selected first- and second-tier cities. The Group is primarily engaged in the development of mid- to high-end residential properties, and also develops commercial properties that are integrated with or in the vicinity of its residential properties, including office buildings, retail shops and other commercial properties.

Ronshine Service is an investment holding company, the shares of which are listed on Main Board of the Stock Exchange (stock code: 2207). Ronshine Service Group is a comprehensive and fast-growing property management services provider in the PRC, offering diversified property management services for both residential and non-residential properties. The Ronshine Service Group is primarily engaged in the provision of (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services.

Xiujing Landscape is a company established in the PRC with limited liability and is principally engaged in design and construction of landscape engineering, greening engineering, three-dimensional flower engineering, and municipal engineering; landscaping and garden maintenance; planting, wholesale, purchasing and selling and online sales of flowers and seedlings; eco-tourism development; and environmental governance services.

GENERAL

As at the Latest Practicable Date, Ronshine Service is indirectly controlled as to approximately 73.80% by Mr. Ou, a controlling Shareholder, an executive Director, the chief executive officer and the chairman of the Company. Xiujing Landscape is owned as to 99% by Mr. Ou Guopeng (the son of Mr. Ou) and 1% by an individual who is an Independent Third Party, and therefore Xiujing Landscape is an associate of Mr. Ou. Accordingly, Mr. Ou is considered to have a material interest in the transactions contemplated under the New Framework Agreements and therefore had abstained from voting on the Board resolutions approving the New Framework Agreements and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors has significant interests in the New Framework Agreements, or is required to abstain from voting on the relevant Board resolutions.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held at Room 1101, Floor 11, Tower 2, Ronshine Sunkwan Center, Lane 77, Shangkun Road, Minhang District, Shanghai, China on Monday, 13 February 2023 at 10:00 a.m. at which ordinary resolutions will be proposed for the Independent Shareholders to consider, and, if thought fit, to approve the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement. The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

LETTER FROM THE BOARD

Any Shareholders with a material interest in the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement or the transactions as contemplated thereunder or their respective associates shall abstain from voting at the EGM. Pursuant to the Listing Rules, Mr. Ou and his associates will be required to abstain from voting on the resolutions approving the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement at the EGM. As at the Latest Practicable Date, Mr. Ou and his associates were interested in a total of 1,097,137,411 Shares and controlled the voting rights of such Shares, representing approximately 65.17% of the issued share capital of the Company. The 1,097,137,411 Shares were held by Dingxin Company Limited, which is wholly owned by Honesty Global Holdings Limited, which is in turn wholly owned by TMF (Cayman) Ltd., the trustee of the Ou Family Trust, which is a discretionary trust established by Mr. Ou Guofei, the son of Mr. Ou. Accordingly, Dingxin Company Limited will be required to abstain from voting on the resolutions approving the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement at the EGM.

Save as disclosed above, as at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no other Shareholder is required under the Listing Rules to abstain from voting at the EGM.

A form of proxy for use in connection with the EGM is enclosed herewith. Shareholders who intend to appoint a proxy to attend and vote at the EGM shall complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). The completion and delivery of a form of proxy will not preclude Shareholders from attending and voting at the EGM in person should they so wish, and in such case, the instrument appointing a proxy shall be deemed to be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM will be taken by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information as 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.

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 17 of this circular and the letter of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 18 to 39 of this circular in connection with the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions) and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions) were entered into in the ordinary and usual course of business on normal commercial terms or better and the terms thereof are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to approve the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions) at the EGM as set out in the notice of the EGM.

Your attention is drawn to additional information set out in the appendix to this circular.

By Order of the Board
Ronshine China Holdings Limited
Ou Zonghong
Chairman



Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3301)

20 January 2023

To the Independent Shareholders,

Dear Sir/Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders dated 20 January 2023 (the “**Circular**”) which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee and to advise you on whether the terms of the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions) are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote on the resolutions at the EGM. Dongxing Securities (Hong Kong) Company Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the “Letter from the Board” set out on pages 5 to 16 of the Circular and the “Letter from the Independent Financial Adviser” set out on pages 18 to 39 of the Circular. Your attention is also drawn to the additional information set out in the appendix thereto.

Having taken into account (i) the terms and conditions of the New Framework Agreements; and (ii) the factors and reasons considered by, and the advice and recommendations of, the Independent Financial Adviser as set out in its letter of advice, we are of the opinion that (i) the terms of each of the New Framework Agreements (including the proposed annual caps) are fair and reasonable; and (ii) the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the New Framework Agreements and the transactions contemplated thereunder (including the proposed annual caps for those transactions).

Yours faithfully,
Independent Board Committee

Mr. Ren Yunan
*Independent Non-executive
Director*

Mr. Ruan Weifeng
*Independent Non-executive
Director*

Mr. He Jiarong
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice to the Independent Board Committee and the Independent Shareholders from the Independent Financial Adviser in respect of the transactions contemplated under the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement and the related annual caps, which has been prepared for the purpose of inclusion in this letter.



**DONGXING SECURITIES
(HONG KONG) COMPANY LIMITED**
Room 6805 – 6806A
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

20 January 2023

To: The Independent Board Committee and the Independent Shareholders of Ronshine China Holdings Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS: RENEWAL OF (1) THE 2023 MASTER RONSHINE PROPERTY MANAGEMENT AND RELATED SERVICES AGREEMENT AND (2) THE 2023 LANDSCAPE ENGINEERING SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to (i) the 2023 Master Ronshine Property Management and Related Services Agreement and (ii) the 2023 Landscape Engineering Services Framework Agreement (collectively referred to as the “**New Framework Agreements**”) and the related annual caps, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 20 January 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, Ronshine Service is indirectly owned as to approximately 73.80% by Mr. Ou, a controlling shareholder, an executive Director, the chief executive officer and the chairman of the Company. Ronshine Service and its subsidiaries are therefore connected persons of the Company for the purpose of the Listing Rules. Accordingly, the entering into of the 2023 Master Ronshine Property Management and Related Services Agreement by the Company with Ronshine Service constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, Xiujing Landscape is owned as to 99% by Mr. Ou Guopeng, the son of Mr. Ou, a controlling shareholder, an executive Director, the chief executive officer and the chairman of the Company, and 1% by an individual who is an Independent Third Party. As Xiujing Landscape is an associate of Mr. Ou, it is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the provision of the Landscape Engineering Services by Xiujing Landscape pursuant to the 2023 Landscape Engineering Services Framework Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As the highest of all applicable percentage ratios in respect of the proposed annual caps under each of the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement is more than 5%, the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to consider and advise the Independent Shareholders as to whether the terms of the New Framework Agreements are fair and reasonable, and such continuing connected transactions (including the annual caps in relation thereto) contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the renewal of the New Framework Agreements and the related annual caps.

OUR INDEPENDENCE

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, there were no other engagements between us and the Group. Apart from normal professional fees for our services to the Company in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we have received/will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, pursuant to Rule 13.84 of the Listing Rules, we are independent from, and are not associated with the Company or their respective substantial shareholder(s) or connected person(s) as defined under the Listing Rules, and accordingly are considered eligible to give independent advice on the transactions of New Framework Agreements and the related annual caps.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon the accuracy of the information and representations contained in the Circular and information provided to us by the Company and the management of the Company (the "**Management**"). We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company and the Management, for which they are solely and wholly responsible, were true, accurate and complete at the time they were made and continue to be true as at the date of this letter.

We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry 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. The 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 date of this letter and up to and including the date of the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and/or the Management.

This letter is issued to the Independent Board Committee and the Independent Shareholders, solely in connection for their consideration of the New Framework Agreements and the related annual caps, 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 assessing the New Framework Agreements and the related annual caps and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into consideration of the following principal factors and reasons.

1. Information on the Company and the Group and the background information of the parties to the New Framework Agreements

a. Information on the Company and the Group

The Company is an investment holding company. The Group is a property developer in the PRC, focusing on the development of residential properties in cities in the Western Taiwan Straits Economic Zone and selected first- and second-tier cities. The Group is primarily engaged in the development of mid- to high-end residential properties, and also develops commercial properties that are integrated with or in the vicinity of its residential properties, including office buildings, retail shops and other commercial properties.

b. Information on Ronshine Service

Ronshine Service is an investment holding company, the shares of which are listed on main board of the Stock Exchange (stock code: 2207). Ronshine Service Group is a comprehensive and fast-growing property management services provider in the PRC, offering diversified property management services for both residential and non-residential properties. The Ronshine Service Group is primarily engaged in the provision of (i) property management services, (ii) value-added services to non-property owners, and (iii) community value-added services.

c. Information on Xiujing Landscape

Xiujing Landscape is a company established in the PRC with limited liability and is principally engaged in design and construction of landscape engineering, greening engineering, three-dimensional flower engineering, and municipal engineering; landscaping and garden maintenance; planting, wholesale, purchasing and selling and online sales of flowers and seedlings; eco-tourism development; and environmental governance services.

As at the Latest Practicable Date, Ronshine Service is indirectly controlled as to approximately 73.80% by Mr. Ou, a controlling shareholder, an executive Director, the chief executive officer and the chairman of the Company. Ronshine Service and its subsidiaries are therefore connected persons of the Company for the purpose of the Listing Rules. Xiujing Landscape is owned as to 99% by Mr. Ou Guopeng (the son of Mr. Ou) and 1% by an individual who is an Independent Third Party, and therefore Xiujing Landscape is an associate of Mr. Ou. As Xiujing Landscape is an associate of Mr. Ou, it is therefore a connected person of the Company for the purpose of the Listing Rules.

Accordingly, the transactions contemplated under the New Framework Agreements will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

2. Reasons and benefits for entering into the New Framework Agreements

(i) In relation to the 2023 Master Ronshine Property Management and Related Services Agreement

Based on the established long-term cooperation relationship with Ronshine Service Group, and taking into consideration of the quality of the management services previously provided to the Group by Ronshine Service Group, the Board is of the view that Ronshine Service Group has competitive strengths over other independent service providers of similar management services in the PRC.

As customer feedback and ranking are important indicators of the quality of property management services, and quality property management services will elevate the Group's property branding and customer ratings, and increase the market share of the Company's properties, it is industry practice to pay branding support fee to good property management companies to achieve the aforesaid. At the same time, the early involvement of pre-delivery property management conforms to the concept of "complete cycle management" of properties. The aforesaid involvement in the planning, design and development of the properties serves important and irreplaceable purposes in the improvement of properties function. It ensures quality of property construction, reduction of early stage capital investment, and reduction of costly late-stage alteration fees.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, the Directors (including the independent non-executive Directors whose view is set out in “Letter from the Independent Board Committee” of this Circular and excluding the Interested Director) considered that the terms of the 2023 Master Ronshine Property Management and Related Services Agreement (including the proposed annual caps) and the transactions contemplated thereunder are fair and reasonable and the entering into of the 2023 Master Ronshine Property Management and Related Services Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

(ii) In relation to the 2023 Landscape Engineering Services Framework Agreement

Based on the established long-term cooperation relationship with Xiujing Landscape, and taking into consideration of the quality of the Landscape Engineering Services provided to the Group by Xiujing Landscape, the Board is of the view that Xiujing Landscape has competitive strengths over other independent service providers of similar landscape engineering services in the PRC and considers that the 2023 Landscape Engineering Services Framework Agreement will enable the Group to obtain stable landscape engineering service provision for the Group’s property development projects from time to time, and continue to maintain the excellent and established cooperation relationship with Xiujing Landscape.

Accordingly, the Directors (including the independent non-executive Directors whose view is set out in “Letter from the Independent Board Committee” of this Circular and excluding the Interested Director) considered that the terms of the 2023 Landscape Engineering Services Framework Agreement (including the proposed annual caps) and the transactions contemplated thereunder are fair and reasonable and the entering into of the 2023 Landscape Engineering Services Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

A. 2023 MASTER RONSHINE PROPERTY MANAGEMENT AND RELATED SERVICES AGREEMENT

i) Principal terms of the 2023 Master Ronshine Property Management and Related Services Agreement

The principal terms of the 2023 Master Ronshine Property Management and Related Services Agreement are set out below:

- Date: 23 November 2022
- Parties: (i) the Company; and
(ii) Ronshine Service

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject: Pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement, the parties agreed that Ronshine Service Group will provide property management and related services to the properties owned or used by the Group in the PRC, including but not limited to (i) preliminary planning and design consultancy services and pre-delivery services which primarily include cleaning and inspection, (ii) property sales offices and display units management services which primarily include security, cleaning and customer reception services, (iii) property management services for the properties (including unsold units and car parking spaces) owned or used by the Group, (iv) value-added services which primarily include house and facility repair and maintenance, marketing promotion, property agency services, (v) commercial operational services, (vi) sales agency services in respect of certain car parking spaces owned by the Group, and (vii) sales of goods or services related to property activities (collectively, the “**Property Management and Related Services**”).

Term: Subject to the Independent Shareholders’ approval at the EGM, the 2023 Master Ronshine Property Management and Related Services Agreement has a fixed term commencing from the Commencement Date to 31 December 2025 (both days inclusive).

Pricing: As a general principle, the price and terms of the individual services agreements in respect of the Property Management and Related Services to be provided pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm’s length basis and at prices and on terms no less favorable than those provided by Independent Third Parties to the Group.

Subject to the general principle disclosed above, the service fees payable by the Company to Ronshine Service for the Property Management and Related Services shall be determined with reference to:

- (i) the total area, locations, and conditions of the property projects of the Group in the PRC for which Property Management and Related Services are required by the Group for the respective periods;
- (ii) the costs to be incurred by Ronshine Service for the provision of the Property Management and Related Services (including the scope of the services and the anticipated operation costs including but not limited to labor costs, administration costs and costs of materials, salaries and benefits, costs incurred for the use of facilities and disbursements to third parties etc.);

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iii) the quality of services provided by Ronshine Service and level of customer satisfaction;
- (iv) Ronshine Service's ability to improve the branding and marketing prospects of the Group's property projects through Ronshine Service's quality pre-delivery and property management services; and
- (v) the comparable market price where the normal costs of property management services concerned will be taken into account.

Payment: Payment for the Property Management and Related Services will be settled by bank transfer at credit terms to be agreed by the parties in accordance with market practice. In brief, Ronshine Service shall submit the last month's service settlement sheet and relevant evidential documents to Ronshine China every month, and Ronshine China shall make payment in the current month; or the first payment shall be paid within three months after the signing of the contract, and the remaining payment shall be paid within one month after the end of the service.

The 2023 Master Ronshine Property Management and Related Services Agreement is the framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, separate agreements may be entered into between Ronshine Service (and/or its subsidiaries) and the Company (and/or its subsidiaries) for the transactions contemplated under the 2023 Master Ronshine Property Management and Related Services Agreement.

ii) Assessment on the principal terms of the 2023 Master Ronshine Property Management and Related Services Agreement

In order to assess the fairness and reasonableness of the terms of the 2023 Master Ronshine Property Management and Related Services Agreement, we have obtained 2023 Master Ronshine Property Management and Related Services Agreement, samples of the property management contracts entered into between the Group and the Ronshine Service Group for the financial year 2020 to 2022, samples of the property management services contracts entered into between the Group and its independent third parties for the financial year 2020 to 2022 and samples of the property management services contracts between the Group and Ronshine Service Group under the summary of property management services project list for financial year 2023 to 2025.

We have also obtained summary of property management services project list for financial year 2023 to 2025, which comprising (i) the existing contracts that cover the financial year 2023 to 2025; (ii) the existing contracts will be expired during the year 2023 to 2025 and are expected to be renewed with the existing terms; and (iii) the new contracts to be engaged between the Group and the Ronshine Service Group.

We have selected and reviewed 10 existing contracts regarding Property Management and Related Services of the Group which cover each type of services under the Property Management and Related Services and compare with the respective Property Management and Related Services

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

contracts between the Group and the independent third parties. The sample contracts were selected with services terms which fall into the following criteria: (i) property types including but not limited to commercial and residential properties; (ii) properties of Ronshine China Group located at the Western straits region and the Yangtze river delta region, which covered major geographic presence managed by the Ronshine Service; (iii) property management area fall within the most concentrated GFA range, of which transactions are with a sizable contract sums. This includes contracts with property management area ranged from approximately 50,000 square meter to approximately 370,000 square meter; and (iv) the selected contract having a comparable contract of the independent third parties with comparable project scales, locations of managed properties and particular property management services being provided by the Ronshine Service Group respectively. Also, by comparing the terms of the contracts of the Group against the terms of the comparable contracts of the independent third parties and the historical contracts entered into between the Group and the Ronshine Service Group for the financial year 2020 to 2022, we noted that the respective Property Management and Related Services fee, payment terms and other major contract terms charged by the Ronshine Service Group and the independent third parties to the respective the Group are consistent with each other and the historical contracts.

We have also enquired the Management and understand that the pricing policy agreed under the 2023 Master Ronshine Property Management and Related Services Agreement was determined by making reference to the general pricing policy of the Group, that is, the prevailing market price (taking into account the geographic location and the conditions of the properties, the scope of the services and the associated operation costs).

We have further reviewed the details of the contracts signed by the Group with Ronshine Service and the independent third parties for financial year 2022 as compared to the previous corresponding contracts signed, so as to make appropriate comparison of the contract terms among the comparable contracts. We noted that the general contract terms and the Property Management and Related Services fee determined by the Ronshine Service Group and the independent third parties with the Group regarding to similar type of services provided in the financial year 2022 have no material deviation from its previous contracts and independent third parties contracts. We have no reason to suspect that the Property Management and Related Services fee charged by the Ronshine Service Group to the Group and the independent third parties is materially deviated from their corresponding historical Property Management and Related Services fee level.

Given (i) there is no material deviation between the terms offered by Ronshine Service Group and the independent third parties, and (ii) the respective Property Management and Related Services fee charged by Ronshine Service Group are comparable to the independent third parties for similar properties and services provided, we consider to concur with the Directors that the terms of the 2023 Master Ronshine Property Management and Related Services Agreement are on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

iii) The annual caps revision

Historical Transaction Amounts

The historical transaction amounts for Property Management and Related Services under the Master Ronshine Property Management and Related Services Agreement are as follows:

	For the year ended 31 December 2020 <i>RMB</i>	For the year ended 31 December 2021 <i>RMB</i>	For the ten months ended 31 October 2022 <i>RMB</i> (unaudited)
Provision of the Property Management and Related Services by the Ronshine Service Group to the Group	<u>268,800,086</u>	<u>331,228,000</u>	<u>136,891,805</u>

Proposed annual caps and basis of determination

Pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement, it is proposed that the annual caps for the Property Management and Related Services for the three years ending 31 December 2025 are expected not to exceed the following:

	For the year ending 31 December 2023 <i>RMB</i>	For the year ending 31 December 2024 <i>RMB</i>	For the year ending 31 December 2025 <i>RMB</i>
Provision of the Property Management and Related Services by the Ronshine Service Group to the Group	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>

The proposed annual caps for the Property Management and Related Services for each of the three financial years ending 31 December 2025 were determined by reference to: (i) the historical transaction amounts payable by the Group to Ronshine Service Group for the two years ended 31 December 2021 and ten months ended 31 October 2022; and (ii) the expected amount of service fees payable to Ronshine Service for the provision of Property

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Management and Related Services with reference to (a) the anticipated decrease in the demand for Property Management and Related Services required by the Group during the term of the 2023 Master Ronshine Property Management and Related Services Agreement taking into account of the number of property development projects of the Group in the PRC and the expected area to be completed for each year during the term of the 2023 Master Ronshine Property Management and Related Services Agreement; and (b) the unit price per square meter as agreed from time to time.

It is expected that there will be a decrease in demand for the Property Management and Related Services by the Group from the year ending 31 December 2023 to the year ending 31 December 2025 owing to the decrease in number of property development projects.

Our view on the Annual Caps

In assessing the reasonableness and fairness of the annual caps under the 2023 Master Ronshine Property Management and Related Services Agreement (the “**PM Annual Caps**”), we have discussed with the Management and note that the PM Annual Caps for the three years ending 31 December 2025 are mainly determined with reference to i) the historical transaction amounts for three years ended 31 December 2022; and ii) the anticipated decrease in the demand for the Property Management and Related Services during the term of the 2023 Master Ronshine Property Management and Related Services Agreement in view of decrease in number of property development projects of Ronshine China Group in the PRC and decrease in the expected area to be completed for each year during the term of the 2023 Master Ronshine Property Management and Related Services.

Review of the historical transaction amount

Set out below are the historical transaction amounts for the Property Management and Related Services under the Master Ronshine Property Management and Related Services Agreement are as follows:

	For the year ended 31 December 2020 RMB	For the year ended 31 December 2021 RMB	For the ten months ended 31 October 2022 RMB (unaudited)
Provision of the Property Management and Related Services by the Ronshine Service to Ronshine China Group	<u>268,828,086</u>	<u>331,228,000</u>	<u>136,891,805</u>

The annual caps under the Master Ronshine Property Management and Related Services Agreement for each of the two financial years ended 31 December 2022 are

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RMB342 million and RMB368 million, respectively. As at the Latest Practicable Date, the annual cap for the year ended 31 December 2022 under the Master Ronshine Property Management and Related Services Agreement has not been exceeded.

Also, based on the information provided by the Company, we note that the historical amount of the provision of the Property Management and Related Services by the Ronshine Service Group to Ronshine China Group decreased from RMB331.2 million for the year ended 31 December 2021 to RMB136.9 million for the ten months ended 31 October 2022 which reflected the decrease in demand for the Property Management and Related Services by Ronshine China Group.

Moreover, as advised by the Management and based on the existing Property Management and Related Services agreements engaged by the Ronshine Service Group with the Ronshine China Group, the Group is likely to keep the current business scale of operation in the coming years. In view of the historical transaction amount of the Property Management and Related Services provided by Ronshine Service Group to Ronshine China Group for the ten months ended 31 October 2022 amounted RMB136.9 million and it represents approximately 91.3% of the PM Annual Caps, it is considered that it is reasonable to revise the original annual caps to PM Annual Caps.

As discussed with the Management, there had been 160 projects developed by Ronshine China Group under the Ronshine Service management in relation to Property management and Related Services with a total GFA approximately 16.0 million square meter as at 31 December 2021. It demonstrates there is a demand of Ronshine China Group for property management services in the future. In order to satisfy the demand of Property Management and Related Services of the Group as a whole, it is expected that Ronshine Service needs to maintain its provision of corresponding services required by Ronshine China Group for the three years ending 31 December 2025.

As advised by the Management, based on the established long-term cooperation relationship between the Group and Ronshine Service Group, it is expected that all existing property management service agreements entered into with Ronshine Service Group will be renewed with the existing terms remain unchanged. We have reviewed the summary of property management services projects list provided by the Management and note that the transaction amounts will represent approximately 52.9%, 49.7% and 52.7% of the PM Annual Caps for the year ending 31 December 2023, 31 December 2024 and 31 December 2025 pursuant to the existing property management service agreements respectively. We have selected and reviewed 10 existing contracts regarding the existing property management service agreements entered into with Ronshine China Group with sizeable contract sum and note that the property management fee tied to the summary of property management services projects list provided by the Management. Also, as advised by the Management, there are 11 new property developing projects of Ronshine China Group with expected GFA approximately 1.1 million square meter to be delivered and assigned to the Ronshine Service Group for property management in 2023. We have reviewed and sampled checked the details and calculations of the new property projects including but not limited to the area to be managed and respective Property Management and Related Services fee to be charged by the Ronshine Service Group. We have no reason to suspect that the property management fee to be charged by the Ronshine Service Group to the Ronshine China Group will be materially deviated from the summary of property management services projects list provided by the Management.

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Having considered that (i) the provision of Property Management Services by the Ronshine Services to Ronshine China Group fall within the ordinary business of the Group; (ii) the provision of the Property Management Services by the Ronshine Services to Ronshine China Group is conducted on normal commercial terms pursuant to the 2023 Master Ronshine Property Management and Related Services Agreement; (iii) the major contract terms and Property Management and Related Services fee in associate with Ronshine China Group are comparable to that of the independent third parties; and (iv) the demand of due to the Property Management Services from Ronshine China Group due to existing property management service projects which will be renewed with the existing terms remained unchanged and new property management projects assigned by Ronshine China Group and its associates to be completed and delivered in 2023. Based on above-mentioned, we concur with the Directors that the basis of determining the PM Annual Caps is reasonable.

B. 2023 LANDSCAPE ENGINEERING SERVICES FRAMEWORK AGREEMENT

i) *Principal terms of the 2023 Landscape Engineering Services Framework Agreement*

The principal terms of the 2023 Landscape Engineering Services Framework Agreement are set out below:

Date:	23 November 2022
Parties:	(i) the Company; and (ii) Xiujing Landscape
Subject:	Pursuant to the 2023 Landscape Engineering Services Framework Agreement, the parties agreed that Xiujing Landscape will provide, among others services, (i) landscape engineering design services; (ii) landscape construction; and (iii) sale and nursery of horticultural plants (collectively, the “ Landscape Engineering Services ”) to the property projects of the Group in the PRC, including but not limited to those in Fuzhou, Xiamen, Zhangzhou, Shanghai, Hangzhou and Chengdu.
Term:	Subject to the Independent Shareholders’ approval at the EGM, the 2023 Landscape Engineering Services Framework Agreement has a fixed term commencing from the Commencement Date to 31 December 2025 (both days inclusive).
Pricing:	As a general principle, the price and terms of the individual services agreements in respect of the Landscape Engineering Services to be provided pursuant to the 2023 Landscape Engineering Services Framework Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm’s length basis and at prices and on terms no less favorable than those provided by Independent Third Parties to the Group.

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Subject to the general principle disclosed above, the service fee payable by the Company to Xiujing Landscape for the Landscape Engineering Services shall be determined with reference to:

- (i) the total area of the property projects of the Group in the PRC for which the Landscape Engineering Services are required;
- (ii) the costs to be incurred by Xiujing Landscape for the provision of the Landscape Engineering Services (including the salaries and benefits in respect of the employment of the relevant employees of Xiujing Landscape, the raw material costs and the costs of purchase or rental of facilities or equipment for the provision of the Landscape Engineering Services); and
- (iii) the comparable market price for the provision of the Landscape Engineering Services by other similar providers.

In determining the costs to be incurred by Xiujing Landscape, the internal control department of the Company will conduct regular research and study on market data such as (i) compensation package of personnel in similar industry; (i i) prevailing market prices of relevant raw materials required for landscape construction; and (iii) the number and types of facilities or equipment required for landscape construction, and review and assess the reasonableness of the quotations (including the incurred costs) submitted by Xiujing Landscape to the Group for approval.

In addition, the Group will obtain at least two quotations from other Independent Third Parties providing similar services in the market (the “**Independent Quotations**”) and conduct online research in respect of similar services provided by other independent service providers in the market, and make comparison with respect to the Independent Quotations. In the event that the Group is able to obtain a price from comparable Independent Third Party service providers which is more favourable than those offered by Xiujing Landscape, the Group will negotiate the pricing terms with Xiujing Landscape. The Group will only procure Landscape Engineering Services from Xiujing Landscape if the service fees payable to Xiujing Landscape will not exceed what could be offered by other Independent Third Party service providers in the market.

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Payment: Payment for the Landscape Engineering Services will be settled by bank transfer or any other means to be agreed by the parties to the 2023 Landscape Engineering Services Framework Agreement. In brief, Xiujing Landscape shall, on a monthly basis, submit the output value of the current month, and pay progress payment (usually 75% of the output value) according to a certain proportion of the output value in the next month after the Company's review; the second payment shall be paid after the project passes the acceptance (usually 85% of the contract price); the third payment shall be paid after the project is handed over to the Company (usually 95% of the settlement amount); and the remaining 5% shall be paid to Xiujing Landscape after the warranty period expires.

The 2023 Landscape Engineering Services Framework Agreement is the framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, separate agreements may be entered into between Xiujing Landscape and/or its subsidiaries and the Company and/or its subsidiaries for the transactions contemplated under the 2023 Landscape Engineering Services Framework Agreement.

ii) Assessment on the principal terms of the 2023 Landscape Engineering Services Framework Agreement

In order to assess the fairness and reasonableness of the terms of the 2023 Landscape Engineering Services Framework Agreement, we have obtained 2023 Landscape Engineering Services Framework Agreement, samples of service contracts entered into between the Group and its independent third parties Suppliers (the “**Independent Suppliers**”) for the ten months ended 31 October 2022 and samples of the Landscape Engineering Services contracts between the Group and Xiujing Landscape for the ten months ended 31 October 2022.

We have also obtained summary of Landscape Engineering Services project list for financial year 2023 to 2025 which comprising (i) the existing contracts that cover the financial year 2023 to 2025; (ii) the existing contracts that will be expired during the year 2023 to 2025; and (iii) the new contracts to be engaged between the Group and the Xiujing Landscape.

We have reviewed 10 existing contracts regarding between the Group and Xiujing Landscape and compare with the contracts between the Group and the Independent Suppliers. The sample contracts that with services terms which fall into the following criteria: (i) Landscape Engineering Services types covering landscape engineering design services, landscape construction; and sale and nursery of horticultural plants; (ii) the location of projects covering the Yangtze River Delta, the West Coast of the Straits and Chengdu and Chongqing Region, which covered major geographic presence of landscape engineering services from Xiujing Landscape to the Group in 2023 to 2025; (iii) construction area fall within the most concentrated GFA range, of which transactions are with a sizable contract sums. This includes contracts with construction area between approximately 20,000 square meter and approximately 300,000 square meter; and (iv) the selected contract of the Xiujing Landscape having a comparable contract of the Independent Suppliers with comparable project scales, locations of construction projects and particular landscape engineering services respectively. By comparing the terms of the contracts against the terms of the with the comparable contracts of the Independent Suppliers, we noted that the respective contract sums and other key terms of the Xiujing Landscape are comparable to those of Independent Suppliers.

We have also enquired the Management and understand that the pricing policy agreed under the 2023 Landscape Engineering Services Framework Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm’s length basis and at prices and on terms no less favorable than those provided by Independent Third Parties to the Group. In the event that the Group is able to obtain a price from comparable Independent Third Party service providers which is more favourable than those offered by Xiujing Landscape, the Group will negotiate the pricing terms with Xiujing Landscape. The Group will only procure Landscape Engineering Services from Xiujing Landscape if the service fees payable to Xiujing Landscape will not exceed what could be offered by other Independent Third Party service providers in the market.

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We have further reviewed the details of the contracts signed by the Group with Xiujing Landscape and the Independent Suppliers for financial year 2022 as compared to the previous corresponding contracts signed, so as to make appropriate comparison of contract terms among the comparable contracts. We noted that the general contract terms including but not limited to payment terms and Landscape Engineering Services fee determined by the Group with the Xiujing Landscape and the Independent Suppliers regarding to the similar type of Landscape Engineering Services provided in the financial year 2022 have no material deviation from the previous contracts. We have no reason to suspect that the Landscape Engineering Services fee charged by the Group to the Xiujing Landscape and the Independent Suppliers and the payment terms offered by the Xiujing Landscape to the Group are materially deviated from their corresponding historical Landscape Engineering Services fee level.

Given (i) there is no material deviation between the terms offered by the Xiujing Landscape and to the Independent Suppliers, and (ii) the terms and fee charged by the Xiujing Landscape are comparable to the Independent Suppliers for similar Landscape Engineering Services provided, we concur with the Directors that the terms of the 2023 Landscape Engineering Services Framework Agreement are on normal commercial terms or with terms no more favourable to Xiujing Landscape than those offered to its Independent Suppliers, and considers that it is in the interest of the Company and the Shareholders as a whole to continue to enter into the 2023 Landscape Engineering Services Framework Agreement. It will enable the Group to obtain stable landscape engineering service provision for the Group's property development projects from time to time, and continue to maintain the excellent and established cooperation relationship with Xiujing Landscape.

iii) The annual caps revision

Historical Transaction Amounts

The historical transaction amounts under the 2020 Landscape Engineering Services Framework Agreement are as follows:

	For the year ended 31 December 2020 RMB	For the year ended 31 December 2021 RMB	For the ten months ended 31 October 2022 RMB (unaudited)
Provision of the Landscape Engineering Services by Xiujing Landscape to the Group	<u>210,753,000</u>	<u>315,109,000</u>	<u>289,156,000</u>

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The annual caps under the 2020 Landscape Engineering Services Framework Agreement for the period from the date of the 2020 Landscape Engineering Services Framework Agreement (i.e. 10 January 2020) and ended on 31 December 2020 (both days inclusive), and each of the two years ended 31 December 2022 are as follows:

	For the year ended 31 December 2020 RMB	For the year ended 31 December 2021 RMB	For the ten months ended 31 December 2022 RMB
Provision of the Landscape Engineering Services by Xiujing Landscape to the Group	<u>400,000,000</u>	<u>500,000,000</u>	<u>600,000,000</u>

As at the date of this letter, the annual cap for the year ended 31 December 2022 under the 2020 Landscape Engineering Services Framework Agreement has not been exceeded.

Proposed annual cap and basis of determination

Pursuant to the 2023 Landscape Engineering Services Framework Agreement, it is proposed that the annual cap amounts for the Landscape Engineering Services for the three years ending 31 December 2025 are expected not to exceed the following:

	For the year ended 31 December 2023 RMB	For the year ended 31 December 2024 RMB	For the year ended 31 December 2025 RMB
Provision of the Landscape Engineering Services by Xiujing Landscape to the Group	<u>150,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>

The proposed annual caps for the 2023 Landscape Engineering Services Framework Agreement for each of the three financial years ending 31 December 2025 were determined by reference to: (i) the historical transaction amounts payable by the Group to Xiujing Landscape for the two years ended 31 December 2021 and ten months ended 31 October 2022; (ii) the number of existing property projects together with the expected total area of such property projects that require the Landscape Engineering Services and the number of property projects together with the total area of such property projects expected to be undertaken by the Group in each of the years ending 31 December 2023, 2024, and 2025 based on the Group's five-year plan, which require the Landscape Engineering Services and

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the estimated service fee to be charged by Xiujing Landscape; (iii) the historical costs incurred by the Group on landscape engineering in respect of the Group's previous property projects; and (iv) the general market prices in respect of the Landscape Engineering Services by obtaining at least two Independent Quotations.

It is expected that there will be a decrease in the Landscape Engineering Services required by the Group from the year ending 31 December 2023 to the year ending 31 December 2025 owing to the decrease in number of property development projects.

Our view on the Annual Cap

In assessing the reasonableness and fairness of the annual caps under the 2023 Landscape Engineering Services Framework Agreement (the "**Landscape Service Annual Caps**"), we have discussed with the Management and note that the Landscape Service Annual Caps for the three years ending 31 December 2025 are mainly determined with reference to i) the historical transaction amounts during the term of the 2023 Landscape Engineering Services Framework Agreement; and ii) the number of existing property projects together with the expected total area of such property projects that require the Landscape Engineering Services and the number of property projects together with the total area of such property projects expected to be undertaken by the Group in each of the years ended 31 December 2023, 2024 and 2025 based on the Group's five-year plan, which require the Landscape Engineering Services and the estimated service fee to be charged by Xiujing Landscape.

Review of the historical transaction amount

Set out below are the historical transaction amounts for the Landscape Engineering Services provided by Xiujing Landscape under the 2020 Landscape Engineering Services Framework Agreement are as follows:

	For the year ended 31 December 2020 RMB	For the year ended 31 December 2021 RMB	For the ten months ended 31 October 2022 RMB (unaudited)
Provision of the Landscape Engineering Services by Xiujing Landscape to the Group	<u>210,753,000</u>	<u>315,109,000</u>	<u>289,156,000</u>

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The annual caps under the 2020 Landscape Engineering Services Framework Agreement for the period from the date of the 2020 Landscape Engineering Services Framework Agreement (i.e. 10 January 2020) and ended on 31 December 2020 (both days inclusive), and each of the two years ended 31 December 2022 are RMB400 million, RMB500 million and RMB600 million, respectively (the “**Original Landscape Service Annual Caps**”). As at the date of this letter, the annual cap for the year ended 31 December 2022 under the 2020 Landscape Engineering Services Framework Agreement has not been exceeded.

The Original Landscape Service Annual Caps are as follows:

	For the year ended 31 December 2020 RMB	For the year ended 31 December 2021 RMB	For the ten months ended 31 December 2022 RMB
Provision of the Landscape Engineering Services by Xiujing Landscape to the Group	<u>400,000,000</u>	<u>500,000,000</u>	<u>600,000,000</u>
Utilisation rate	<u>52.7%</u>	<u>63.0%</u>	<u>48.2%</u>

As illustrated in the table above, we note that i) the historical transaction amounts for the provision of the Landscape Engineering Services by Xiujing Landscape to the Group pursuant to the 2020 Landscape Engineering Services Framework Agreement were amounted approximately RMB210.7 million, RMB315.1 million and RMB289.2 million for two years ended 31 December 2021 and for the tens months ended 31 October 2022 respectively; and ii) the utilisation rate of the Original Landscape Service Annual Caps amounted to approximately 52.7%, 63.0% and 48.2% for the three years ended 31 December 2022 respectively. It is considered that the historical transaction amounts were maintained above RMB200 million and the utilization rate were maintained above 50% for the three years ended 31 December 2022.

According to the 2021 and 2022 interim report of the Group, the total land reserves decreased from approximately 31.62 million square meter to 25.27 million square meter for the period ended 30 June 2022. According to the 2022 interim report of the Group, the total GFA of the Group’s land reserve (including its joint ventures and associates) was 25.27 million square meter, among which, 11.18 million square meter were completed properties held for sale, 13.19 million square meter were under construction and 0.9 million square meter were held for future development. Thus, the demand of the Landscape Engineering Services from the Group is expected to decrease starting from 2023.

Therefore, it is reasonable to lower the Original Landscape Engineering Services annual caps to Landscape Service Annual Caps in order to respond to lower demand of the Group.

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The transaction amounts of the existing projects engaged

It is considered that the Landscape Service Annual Caps were mainly determined by the number of existing property projects together with the expected total area of such property projects that require the Landscape Engineering Services and the number of property projects together with the total area of such property projects expected to be undertaken by the Group in each of the years ending 31 December 2023, 2024 and 2025 based on the Group's five-year plan, which require the Landscape Engineering Services and the estimated service fee to be charged by Xiujing Landscape.

Also, according to the summary provided by the Management, there are 53 property projects in total which required the Landscape Engineering Services with the approximately RMB216.2 million for the three years ending 31 December 2025. We have selected and reviewed 10 existing contracts with sizeable amount and noted that the details including the date of engagement, area for the Landscape Engineering Services and contractual amounts to be received by Xiujing Landscape were matched to the summary. Also, we were advised that the contractual amounts were determined with reference to the general market prices in respect of the Landscape Engineering Services by obtaining at least two Independent Quotations. We sampled checked the Independent Quotations and the online research performed by the Group in respect of the raw material costs and the costs of purchase or rental of facilities or equipment for the provision of the Landscape Engineering Services by other independent service providers in the market and noted that the service fees payable to Xiujing Landscape did not exceed what could be offered by other Independent Third Party service providers in the market. Moreover, we were advised that in the event that the Group is able to obtain a price from comparable Independent Third Party service providers which is more favourable than those offered by Xiujing Landscape, the Group will negotiate the pricing terms with Xiujing Landscape. The Group will only procure Landscape Engineering Services from Xiujing Landscape if the service fees payable to Xiujing Landscape will not exceed what could be offered by other Independent Third Party service providers in the market.

Therefore, in view of i) there are 19 existing property projects amounted approximately RMB95.5 million, with contract sums representing approximately 63.7% of the Landscape Service Annual Caps in 2023; ii) the details of the contracts including but not limited to the contract sums matched with those documented in the summary of Landscape Engineering Services project list; and iii) the Group carried out negotiations with Xiujing Landscape in the past and confirmed the quotations for the most of the Landscape Engineering Services projects offered by the Xiujing Landscape and such practice will be continued as advised by the Management, we have no reason to suspect that the contracts sums to be received by the Xiujing Landscape are materially deviated from those documented in the summary of Landscape Engineering Services project list or the list of Landscape Engineering Services projects are unlikely to be executed between the Xiujing Landscape and the Group in view of the established long-term cooperation relationship between Xiujing Landscape and the Group. Accordingly, we concur with the Management that the Landscape Service Annual Caps for the 2023 Landscape Engineering Services Framework Agreement is reasonable.

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INTERNAL CONTROL MEASURES

Subject to the general principle disclosed above, the pricing policy will be supervised and monitored by the relevant personnel from the finance department, the legal department and the management of the Group in charge to ensure that the New Framework Agreements are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel and management of the Group will also conduct regular checks on a quarterly basis to review and assess whether the transactions contemplated under each of the New Framework Agreements are conducted in accordance with their respective terms and in accordance with the aforesaid pricing policy. The independent non-executive Directors will continue to review the transactions contemplated under each of the New Framework Agreements and the Company's auditors will also conduct an annual review on the pricing terms and annual caps thereof. Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the New Framework Agreements have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

We have further reviewed the internal control documents regarding the continuing connected transactions between the Company and connected parties and as advised by the Management, we noted that (i) the relevant management personnel from the responsible departments will supervise and monitor the connected transactions contemplated under New Framework Agreements on regular basis to ensure the relevant transactions are conducted on normal commercial terms, in the ordinary course of business and are in the interests of the Company and the Shareholders as a whole; (ii) independent non-executive Directors will review the connected transactions contemplated under New Framework Agreements annually and confirm that the relevant transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and (iii) auditor of the Company will review and issue letter containing its findings and conclusions in respect of the Group's continuing connected transactions according to the Listing Rules.

In view of the above, we consider that the terms of reference, if implemented effectively by the Company, are sufficient to safeguard Shareholders' interest in the provision the New Framework Agreements. Accordingly, we are of the view that the internal control procedures are in place and in compliance with the internal measures as mentioned above.

OPINION AND RECOMMENDATIONS

Having considered the above principal factors and reasons, we are of the view that the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement, and the related annual caps are (i) in the ordinary and usual course of the business of the Group; (ii) on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) in the interests of the Company and the Shareholders as a whole.

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Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend Independent Shareholders to vote in favour of the relevant resolution for approving the 2023 Master Ronshine Property Management and Related Services Agreement and the 2023 Landscape Engineering Services Framework Agreement and the related annual caps at the EGM.

Yours faithfully,

For and on behalf of

Dongxing Securities (Hong Kong) Company Limited

Jim Lui *CFA, FCPA, FCCA, ACA*

Managing Director

Investment Banking Department

Jason Wong

Vice President

Investment Banking Department

Mr. Jim Lui is currently a responsible officer of Dongxing Securities (Hong Kong) Company Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Lui has over 18 years of experience in the corporate finance industry, and has participated in the provision of independent financial advisory services for various connected transactions involving companies listed in Hong Kong.

Mr. Jason Wong is currently a responsible officer of Dongxing Securities (Hong Kong) Company Limited to carry out Type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Wong has over 8 years of experience in the corporate finance industry, and has participated in the provision of financial advisory and independent financial advisory services for various connected transactions involving companies listed in Hong Kong.

1. DISCLOSURE OF INTERESTS OF DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(i) Long position in Shares and underlying Shares of the Company

Name of Director	Nature of interest	Number of Shares	Approximate percentage of holding ⁽¹⁾
Mr. Ou ⁽²⁾	Beneficiary of a trust	1,097,137,411	65.17%
Ms. Yu Lijuan	Beneficial owner	169,418	0.01%

Notes:

- The calculation is based on the total number of 1,683,431,417 Shares in issue as at the Latest Practicable Date.
- Mr. Ou is a beneficiary of the Ou Family Trust which is a discretionary trust established by Mr. Ou Guofei (the son of Mr. Ou) as the settlor with Mr. Ou being the protector and TMF (Cayman) Ltd. as the trustee. As at the Latest Practicable Date, TMF (Cayman) Ltd. owned all the issued shares in Honesty Global Holdings Limited, which in turn owned all the issued shares in Dingxin Company Limited, which in turn held 1,097,137,411 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had, or were deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

2. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

3. MATERIAL ADVERSE CHANGE

As disclosed in the announcement of the Company dated 10 July 2022, the Company had not made payment for the interest in the amount of US\$12,798,000 under the 8.1% senior notes due June 2023 (ISIN: XS2090949160 and Common Code: 209094916) issued by the Company and listed on the SGX-ST which became due and payable on 9 June 2022. The Company had also not made payment for the interest in the amount of US\$15,067,500 under the 7.35% senior notes due December 2023 (ISIN: XS2189303873 and Common Code: 218930387) issued by the Company and listed on the SGX-ST and which became due and payable on 15 June 2022. The Company has a 30-day grace period to pay such interests.

On 23 August 2022, the Company issued a profit warning announcement to inform the Shareholders and potential investors of the Company that the Group was expected to record a net loss of approximately RMB4.3 billion to RMB4.8 billion, and a net loss attributable to owners of company of approximately RMB4.3 billion to RMB4.8 billion for the six months ended 30 June 2022. It was later disclosed in the Company's 2022 interim report that the Group recorded a net loss of approximately RMB4,570.47 million and a net loss attributable to owners of company of approximately RMB4,429.23 million for the six months ended 30 June 2022, as compared with net profit of RMB1,040.40 million and profit for the period attributable to owners of the Company of RMB684.51 million for the corresponding period in 2021. As further disclosed in the Company's 2022 interim report, as of 30 June 2022, the Group recorded net current assets of RMB47,563 million, and the Group's current portion of borrowings amounted to RMB15,004 million, while its cash and bank balances (excluding restricted cash and term deposits) amounted to RMB8,146 million.

As disclosed in the announcement of the Company dated 25 October 2022, the 8.75% senior notes due 2022 (ISIN: XS1976760782 and Common Code: 197676078) in the aggregate principal amount of US\$688,000,000 issued by the Company and listed on the SGX-ST matured on 25 October 2022. The principal amount and the accrued and unpaid interest totalling US\$718,100,000 became due and payable. As of 25 October 2022, the Company has not made such payment.

Since the second half of 2021, the business environment of China's real estate industry has undergone major changes, with increased difficulties in financing confronted by real estate companies. Under such circumstances, a number of real estate companies have successively encountered debt repayment issues, indicating accelerated deterioration of the industry's business environment. At the same time, the recent outbreak of the COVID-19 pandemic in Shanghai and other cities has brought enormous pressure on the Group's operations. As a result of the impact brought by the above factors, the Group requires longer time than expected to realise cash from its properties and/or arrange for cash from external financing to meet its loan repayment obligations.

For further details, please refer to the Company's announcements dated 10 July 2022, 23 August 2022 and 25 October 2022, and the Company's 2022 interim report published on 29 September 2022. Save as disclosed above, the Directors confirmed that there has not been any material adverse change 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) up to and including the Latest Practicable Date.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up) up to the Latest Practicable Date, been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

5. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

On 14 December 2021, Jiangsu Ronghua Property Development Co., Ltd. (江蘇融華置業有限公司) (the “**Project Company**”), a non wholly-owned subsidiary of the Company which is owned as to 65% by the Group and 35% by an Independent Third Party (the “**JV Partner**”), and the JV Partner as lenders entered into a loan agreement (as supplemented by two supplemental agreements dated 14 and 15 December 2021, respectively) with, among others, certain members of the Group as borrowers (the “**Borrowers**”), pursuant to which the Project Company and the JV Partner provided a loan in the total principal amount of RMB185 million (as to RMB130 million and RMB55 million by the Project Company and the JV Partner, respectively) to the Borrowers (the “**Intra-Group Loan**”). The Intra-Group Loan was guaranteed by, among others, Mr. Ou, and was secured by a pledge over 103,500,000 Shares (representing approximately 6.15% of the issued share capital of the Company as at the Latest Practicable Date) held by Dingxin Company Limited.

Save as disclosed above and the transactions disclosed in the sections headed “6. DIRECTORS' INTERESTS IN COMPETING BUSINESS” of this appendix and “CONTINUING CONNECTED TRANSACTIONS AND THEIR RESPECTIVE ANNUAL CAPS” in the “Letter from the Board” of this circular, as at the Latest Practicable Date, 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.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Ou, the chairman and an executive Director of the Company, through his interests in a family trust, the Ou Family Trust, is interested in approximately 65.17% shareholding of the Company as at the Latest Practicable Date. Apart from holding interests in the Group as a result of the Ou Family Trust, Mr. Ou also owns equity interest in certain other companies which are engaging in the businesses of hotel operation and property management. For further details, please refer to the section headed “Relationship with Controlling Shareholders — No Competition and Clear Delineation of Business” of the prospectus of the Company dated 31 December 2015 and the section headed “CONTINUING CONNECTED TRANSACTIONS AND THEIR RESPECTIVE ANNUAL CAPS” in the “Letter from the Board” of this circular.

As at the Latest Practicable Date, none of the Directors and their close associates was interested in any business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
Dongxing Securities (Hong Kong) Company Limited	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, Dongxing Securities (Hong Kong) Company Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) any direct or indirect interest in any assets which had, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Dongxing Securities (Hong Kong) Company Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

The letter and recommendation is given by Dongxing Securities (Hong Kong) Company Limited as of the date of this circular for incorporation herein.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.rongxinggroup.com) from the date of this circular up to and including the date of the EGM:

- (a) the 2023 Master Ronshine Property Management and Related Services Agreement;
- (b) the 2023 Landscape Engineering Services Framework Agreement; and
- (c) the written consent from Dongxing Securities (Hong Kong) Company Limited referred to in paragraph 7 of this appendix.

9. MISCELLANEOUS

In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Ronshine China Holdings Limited

融信中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3301)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of the shareholders of Ronshine China Holdings Limited (the “**Company**”) will be held at 10:00 a.m. on Monday, 13 February 2023 at Room 1101, Floor 11, Tower 2, Ronshine Sunkwan Center, Lane 77, Shangkun Road, Minhang District, Shanghai, China to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. “**THAT**

- (a) the 2023 Master Ronshine Property Management and Related Services Agreement (as defined in the circular of the Company dated 20 January 2023 (the “**Circular**”)) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual caps for the three years ending 31 December 2025 for the transactions contemplated under the 2023 Master Ronshine Property Management and Related Services Agreement be and are hereby approved, confirmed and ratified; and
- (c) any one director of the Company (“**Director(s)**”), or any two Directors if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such acts and things and sign, agree, ratify or execute all such documents which he/she/they in his/her/their discretion consider(s) necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the 2023 Master Ronshine Property Management and Related Services Agreement and any of the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto as are, in the opinion of such Director(s), in the interest of the Company.”

2. “**THAT**

- (a) the 2023 Landscape Engineering Services Framework Agreement (as defined in the Circular) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual caps for the three years ending 31 December 2025 for the transactions under the 2023 Landscape Engineering Services Framework Agreement be and are hereby approved, confirmed and ratified; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one Director, or any two Directors if the affixation of the common seal of the Company is necessary, be and is/are hereby authorised for and on behalf of the Company to do all such acts and things and sign, agree, ratify or execute all such documents which he/she/they in his/her/their discretion consider(s) necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the 2023 Landscape Engineering Services Framework Agreement and any of the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto as are, in the opinion of such Director(s), in the interest of the Company.”

By Order of the Board
Ronshine China Holdings Limited
Ou Zonghong
Chairman

Hong Kong, 20 January 2023

Notes:

1. Any shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company (the “Shares”) may appoint more than one proxy to attend and vote on the same occasion.
2. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the EGM, either in person or by proxy in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM or any adjournment thereof (as the case may be), the more senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the EGM or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.
5. The register of members of the Company will be closed from Wednesday, 8 February 2023 to Monday, 13 February 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 7 February 2023.
6. Please see page ii of the Circular for the measures to be implemented at the EGM by the Company to safeguard the health and safety of the attendees and to prevent the spreading of the novel coronavirus (“COVID-19”) pandemic, including:
 - (1) compulsory body temperature check;
 - (2) compulsory wearing of surgical face mask; and
 - (3) no refreshments or drinks will be served.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Attendees who do not comply with the precautionary measures (1) and (2) above may be denied entry into the EGM venue at the absolute discretion of the Company as permitted by law. The Company wishes to advise shareholders of the Company that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the EGM arrangements. Shareholders should check the websites of the Company and the Stock Exchange for further announcement and update on the EGM arrangements, if any.

As at the date of this notice, Mr. Ou Zonghong, Ms. Yu Lijuan, Ms. Zeng Feiyan, Mr. Zhang Lixin and Mr. Wu Jianxing are the executive Directors; Mr. Li Shupeí is the non-executive Director; Mr. Ren Yunan, Mr. Ruan Weifeng and Mr. He Jiarong are the independent non-executive Directors.