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新絲路文旅有限公司
NEW SILKROAD CULTURALTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 472)

**CONTINUING CONNECTED TRANSACTIONS
UPON COMPLETION OF
THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY
INTEREST OF BEIJING CHAOLAICHAOWANG CULTURE
MEDIA COMPANY LIMITED**

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



紅日資本有限公司

RED SUN CAPITAL LIMITED

Reference is made to the Circular in relation to the Acquisition.

As disclosed in the Circular, there are certain existing property management services agreements entered into between the Target Group and the Vendor. Pursuant to such property management services agreements, the Target Group has been providing the Property Management Services to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries). Further, Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) have been leasing certain office premises, and providing or procuring the provision of security and guarding services and other ancillary services to the Target Group. Such transactions are expected to continue following the Completion. As the Target Company will become an indirect wholly-owned subsidiary of the Company upon Completion, such transactions between the Target Group and Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) will constitute continuing connected transactions of the Enlarged Group upon the Completion and are subject to the reporting, announcement and/or Independent Shareholders' approval requirements under the Listing Rules.

On 22 March 2023, the Purchaser and Macrolink Culturaltainment entered into the Master Service Agreement in relation to (i) the provision of the Property Management Services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries); (ii) the leasing of certain office premises by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group; and (iii) the provision or procurement of the provision of security and guarding services and other ancillary services by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group for a term up to 31 December 2025.

GENERAL

Immediately upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Macrolink International Land, a controlling shareholder of the Company holding 1,757,450,743 Shares (representing approximately 54.79% of the issued share capital of the Company as at the date of this announcement), is wholly-owned by Macrolink Culturaltainment, and is accordingly a connected person of the Company under the Listing Rules.

As the applicable percentage ratios calculated with reference to each of the Rental Annual Caps and the Security Service Annual Caps under the Master Service Agreement are more than 0.1% but less than 5%, the leasing of office premises and provision of security and guarding services contemplated under the Master Service Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Property Management Annual Caps exceed HK\$10,000,000 per annum and one of the applicable percentage ratios calculated with reference to which exceeds 5%, the provision of the Property Management Services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) after the Completion contemplated under the Master Service Agreement would constitute non-exempt continuing connected transactions of the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to consider the terms of the Property Management Services under the Master Service Agreement (including the proposed Property Management Annual Caps), and to advise the Independent Shareholders as to whether the terms of the Property Management Services under the Master Service Agreement (including the proposed Property Management Annual Caps) are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will convene and hold the SGM to seek approval from the Independent Shareholders to consider, and if thought fit, approve, among other matters, the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps).

A circular containing, among other matters, further details of the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps), the recommendation of the Independent Board Committee, the letter of advice from the Independent Financial Adviser, other information as required to be disclosed under the Listing Rules and a notice of the SGM and a form of proxy is expected to be despatched to the Shareholders on or before 17 April 2023.

Shareholders and potential investors of the Company should note that the Master Service Agreement is subject to fulfillment of certain conditions precedent (including but not limited to the Completion under the Acquisition Agreement). As the Acquisition may or may not proceed, the Master Service Agreement may or may not become unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the Circular in relation to the Acquisition.

INTRODUCTION

As disclosed in the Circular, there are certain existing property management services agreements entered into between the Target Group and the Vendor. Pursuant to such property management services agreements, the Target Group has been providing the Property Management Services to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries). Further, Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) have been leasing certain office premises, and providing or procuring the provision of security and guarding services and other ancillary services to the Target Group. Such transactions are expected to continue following the Completion. As the Target Company will become an indirect wholly-owned subsidiary of the Company upon Completion, such transactions between the Target Group and Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) will constitute continuing connected transactions of the Enlarged Group upon the Completion and are subject to the reporting, announcement and/or Independent Shareholders' approval requirements under the Listing Rules.

MASTER SERVICE AGREEMENT

On 22 March 2023, the Purchaser and Macrolink Culturaltainment entered into the Master Service Agreement in relation to (i) the provision of the Property Management Services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries); (ii) the leasing of certain office premises by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group; and (iii) the provision or procurement of the provision of security and guarding services and other ancillary services by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group for a term up to 31 December 2025.

A summary of the salient terms of the Master Service Agreement is set out below:

Date: 22 March 2023

Parties: (i) The Purchaser
(ii) Macrolink Culturaltainment

Term: From the date of the Completion to 31 December 2025

Subject matter: (i) The Target Group shall provide the Property Management Services to Macrolink Culturaltainment and its associates;
(ii) Macrolink Culturaltainment and/or its associates shall lease certain office premises to the Target Group; and
(iii) Macrolink Culturaltainment and/or its associates shall provide or procure the provision of security and guarding services and other ancillary services to the Target Group.

Payment and pricing policy: (i) *Property management services*

Macrolink Culturaltainment and/or its associates shall pay monthly/quarterly property management service fees to the Target Group which comprises labour costs, other staff costs, outsourcing service fees (if any) and property management remuneration on a monthly/quarterly basis within three months after receiving the relevant invoice issued by the Target Group.

The property management and other ancillary service fees are determined after arm's length negotiations between the relevant parties after taking into account (i) the area of the relevant premises; (ii) the type of the property projects; (iii) the contracted scope of services and standards; (iv) the number of staff required for the provision of services; (v) the labour costs including wages, overtime payment and welfare expenses; (vi) other staff costs, outsourcing service fees, one-off material input fees, cleaning fees and property management remuneration; (vii) the prevailing market rates and market prices for the provision of property management services of comparable quality and scope and in comparable areas for comparable types of properties; and(viii) the guidance price of such services for similar types of property projects issued by the local government (if applicable, the price administration department of the local people's governments above the county level and the competent property administration departments at the same level are responsible for regulating the fees charged by property management companies in their respective administrative regions. Therefore, different administrative regions may have different government guidance prices for different types of properties and service standards and local government policies and pricing guidance apply to most of the preliminary property management service agreements entered into between the property developers and the Group at the preliminary stage. If the fees charged are subject to the government guidance price, the specific pricing principles shall be determined by the competent price administration departments and property administration departments of the people's governments of each province, autonomous region and municipality directly under the central government.)

The fees charged by property management can either be the government guidance price or market-based price depending on the nature and features of relevant properties.

For the year ended 31 December 2022, the average property management fee charged to Macrolink Culturaltainment and its associates under the Target Group's management was in the range of RMB1.0 and RMB28.0 per square metre per month varying from residential properties to commercial buildings, shops and offices, which are generally in line with the average property management fee charged to other customers by the Target Group for similar types of properties and service standards with slight adjustments depending on factors as mentioned above.

In determining the reasonableness of the property management fees charged, the Group will obtain and assess, among other things, (a) the prices charged by at least two other medium to large scale property management companies listed on the Stock Exchange for similar property projects; and (b) the level of fees charged by the Group for other projects in the same region of similar scale. Based on the market rates of the services to be provided, the relevant personnel will proceed to plan and prepare budget for a particular subsidiary service agreement and then come up with a fee proposal in accordance with the applicable pricing policies for approval.

As confirmed by the Directors, the terms offered by the Target Group to Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) should not be more favourable than those offered to other customers for similar services.

(ii) *Leasing of office premises*

The Target Group shall pay to Macrolink Culturaltainment and/or its associates the rent payment for the leased office premises on a monthly basis. The monthly rental amount of the office premises is determined with reference to (a) gross area leased, geographic location and profile of the surrounding area; and (b) historical rent and prevailing market rates for comparable properties in the surrounding area.

In respect of each of the three years ended 31 December 2022, the historical figures for the rent payments paid by the Target Group to Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) are RMB1.12 million, RMB1.59 million and RMB2.23 million respectively (equivalent to about HK\$1.24 million, HK\$1.79 million and HK\$2.52 million respectively). The maximum aggregate annual amount for each of the three years ending 31 December 2025 shall be RMB2.90 million, RMB3.00 million and RMB3.00 million respectively (equivalent to about HK\$3.28 million, HK\$3.39 million and HK\$3.39 million respectively).

In determining the reasonableness of the rent amount, the Group will obtain and assess, among other things, the prevailing market rates for comparable properties in the surrounding area by independent third-party owners. As confirmed by the Directors, the terms offered by Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) to the Target Group is no less favourable than those offered by independent third-party owners for comparable properties in the surrounding area.

(iii) *Security and guarding services*

The Target Group shall pay to Macrolink Culturaltainment and/or its associates the security and guarding services and other ancillary services fee for the leased office premises on a monthly basis. The monthly rental amount of the office premises is determined with reference to (a) the contracted scope of services and standards; and (b) the prevailing market rates offered by independent third-party service providers for the provision of security and guarding services and other ancillary services of comparable quality and scope and in comparable areas for comparable types of properties.

In respect of each of the three years ended 31 December 2022, the historical figures for the security and guarding service and ancillary service fees paid by the Target Group to Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) RMB3.68 million, RMB3.49 million and RMB3.40 million respectively (equivalent to about HK\$4.16 million, HK\$3.94 million and HK\$3.84 million respectively). The maximum aggregate annual amount for each of the three years ending 31 December 2025 shall be RMB4.00 million, RMB5.00 million and RMB5.00 million respectively (equivalent to about HK\$4.52 million, HK\$5.65 million and HK\$5.65 million respectively).

In determining the reasonableness of the security and guarding services and other ancillary services fee, the Group will obtain and assess, among other things, the prevailing market rates offered by independent third-party service providers for the provision of security and guarding services and other ancillary services of comparable quality and scope and in comparable areas for comparable types of properties. As confirmed by the Directors, the terms offered by Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) to the Target Group is no less favourable than those offered by independent third-party service providers for comparable properties in the surrounding area.

In respect of each of the three years ended 31 December 2022, the historical figures for the property management service fees in respect of the Property Management Services provided by the Target Group to Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) are as follows:

Nature of transaction	Historical figures (million) for the year ended		
	31 December (unaudited)		
	2020	2021	2022
Provision of property management services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries)	RMB24.90 (equivalent to about HK\$28.13)	RMB44.22 (equivalent to about HK\$49.97)	RMB30.82 (equivalent to about HK\$34.82)

The proposed maximum aggregate annual amount of property management fees for the Property Management Services to be provided by the Target Group to Macrolink Culturaltainment and/or its associates for each of the three years ending 31 December 2025 shall be as follows:

Nature of transaction	Property Management Annual Caps (million)		
	2023	2024	2025
Provision of property management services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries)	RMB52.00 (equivalent to about HK\$58.76)	RMB54.00 (equivalent to about HK\$61.02)	RMB56.00 (equivalent to about HK\$63.28)

In determining the proposed annual caps, the Board has taken into account: (i) the historical figures and the trend for the same transactions in the past few years; (ii) the gross floor area of different types of properties owned by Macrolink Culturaltainment and its associates requiring property management services and the future development and planning of the offices and its gross floor area of the Target Group leased and secured by Macrolink Culturaltainment and its associates; (iii) the rates chargeable by the Target Group per square metre of each type of the properties owned by Macrolink Culturaltainment and its associates requiring property management services; (iv) the anticipated growth of the property management industry in the PRC in the coming three years which will lead to an increase in demand for the property management business as currently carried out by the Target Group; (v) the historical and anticipated growth of the property management portfolio of the Target Group; (vi) a reasonable buffer to cater for any temporary and unexpected property management work and exchange rate fluctuations; and (vii) the prevailing market rates offered by independent third-party owners or service providers for comparable types of properties in the surrounding area having been obtained.

Conditions precedent

The Master Service Agreement is conditional upon (a) the Completion having taken place; (b) the approval of the Independent Shareholders at the SGM having been obtained; and (c) all necessary approvals required to be obtained by the Purchaser and Macrolink Culturaltainment in respect of the Master Service Agreement and the transactions contemplated thereunder having been obtained.

INFORMATION ON THE TARGET GROUP

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Target Company is a company established under the laws of the PRC principally engaged in investment holding, and its subsidiaries are principally engaged in property management in the PRC under the brand “Yuehao Property Management (悦豪物業管理)” as at the date of this announcement. As at the date of this announcement, the Target Company has 14 subsidiaries, all being wholly-owned companies established under the laws of the PRC.

The brand “Yuehao Property Management (悅豪物業管理)” has over 22 years of history and 北京悅豪物業管理有限公司 (Beijing Yuehao Property Management Co., Ltd.#), being the principal operating subsidiary and holding company of all other subsidiaries of the Target Company, has the national first-class property management qualification (國家一級物業管理資質), and is a member of China Property Management Association (中國物業管理協會會員) and a council member of Beijing Property Management Association (北京物業管理協會理事會員單位). As at the date of this announcement, the property management business of the Target Group spans across different cities and regions of the PRC, with a total of 49 property management projects, which cover a total of 128 managing zones, and may be further broken down into different types of properties within the different managing zones such as large-scale residential quarters, high-end apartments, villas, industrial parks, commercial plazas, and other properties related to cultural tourism and urban service management. A property management project commonly involves different managing zones depending on the different nature and phrases of development of, as well as demand and needs of the community.

REASONS FOR ENTERING INTO THE MASTER SERVICE AGREEMENT

The Group is principally engaged in the (i) development and operation of integrated resort and cultural tourism in South Korea; (ii) development and operation of real estate in Australia; (iii) production and distribution of wine in the PRC; and (iv) operation of entertainment business in South Korea.

As mentioned in the Circular, the Acquisition would provide the Company with an opportunity to expand its property-related businesses into property management in the PRC under the established brand name of “Yuehao Property Management (悅豪物業管理)”. The Target Group has over 22 years of history and experience in the field of property management in the PRC and the Acquisition would enable the Company to take advantage of the existing network and business relationships of the Target Group, as well as the experienced and knowledgeable staff and management and relevant licences and approvals to seamlessly continue the existing business operations of the Target Group, which have been performing outstandingly over the past years and are expected to continue to generate promising growth and results to the Group after the Completion. As the economy in the PRC is expected to gradually further recover from the pandemic, it is expected that the businesses of the Target Group would maintain consistent performance in the near future, allowing the Group to reap the returns for the Company and its Shareholders as a whole.

As a result of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company. The Target Group has been providing property management services to Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) for over 20 years and such transactions constituted approximately 7.76%, 11.38% and 8.33% of the total turnover of Target Group for each of the three years ended 31 December 2022 respectively. Accordingly, the Master Service Agreement will allow the Enlarged Group to have a stable turnover with respect of its provision of property management services business in the PRC. Further, the Target Group has been leasing its current office premises from Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) and engaging them for the provision or procurement of provision of security and guarding services and other ancillary services for over 10 years and the terms of such leasing arrangement and provision of services have been on terms no less favourable than those offered by other independent third-parties for comparable properties in the surrounding area.

In view of the foregoing, the Directors consider that the entering into of the Master Service Agreement will be in the ordinary course of business of the Enlarged Group and that the terms of such agreements are determined on an arm's length basis with the counterparty. Accordingly, the Directors (save for the independent non-executive Directors whose view will be set out in the circular to be published by the Company after taking into account the advice of the Independent Financial Adviser) are of the view that the terms and conditions of the Master Service Agreement (including the proposed annual caps) are fair and reasonable, on normal commercial terms and in the interests of the Enlarged Group and the Shareholders as a whole.

All the executive Directors, being directors and/or officers of Macrolink International Land and/or Macrolink Culturaltainment (which is the holding company of Macro-Link International Land), will abstain from voting at the Board meeting approving the Master Service Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Master Service Agreement and the transactions contemplated thereunder (including the proposed annual caps) and none of them is required to abstain, or has abstained, from voting on the relevant board resolutions approving the Master Service Agreement and the transactions contemplated thereunder (including the proposed annual caps).

INTERNAL CONTROL

The following internal control measures have been implemented in order to ensure that the transactions contemplated under the Master Service Agreement are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole:

- (1) The Group has established a series of measures to ensure that the transactions contemplated under the Master Service Agreement will be conducted in accordance with the principal terms of the Master Service Agreement, such as a designated staff of the finance department would compare the fees and terms and check that they are no more favourable than those offered by the Group to independent third parties for the same or similar services on the same or similar conditions and carry out regular assessments on the pricing and fairness of the terms every six months and such price comparisons will be used as reference and basis for determining the prices offered by the Group to property developers and property owners (regardless of the method of sourcing contracts) which would not deviate materially from the market rates; and the implementation of separate agreements governing each particular transaction must be approved by, depending on size of the transaction, the business department, the sourcing department, the legal department, the finance department and/or the management to ensure that it is in accordance with the pricing policy.

- (2) In addition, the finance department will keep proper documentation of the agreements governing each particular transaction entered into between the Group and Macrolink Culturaltainment and/or its associates (save for the Company and its subsidiaries) pursuant to the Master Service Agreement, and the compliance department will report to the audit committee on a half-yearly basis whether the internal control measures in respect of the transactions contemplated under the Master Service Agreement remain complete and effective.
- (3) The finance department and compliance department shall be jointly responsible for monitoring the transaction amounts under the Master Service Agreement on a quarterly basis to ensure they do not exceed the annual caps.
- (4) The independent non-executive Directors will review the transactions contemplated under the Master Service Agreement, at least annually, to ensure, among other matters, that such transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms of the Master Service Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.
- (5) The external auditors of the Company will conduct an annual review on the transactions contemplated under the Master Service Agreement, including the annual caps and their actual utilisation, and confirm, among other matters, whether anything has come to their attention that causes them to believe such transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transaction.

LISTING RULES IMPLICATIONS

Immediately upon Completion, the Target Company will become an indirect whollyowned subsidiary of the Company. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Macrolink International Land, a controlling shareholder of the Company holding 1,757,450,743 Shares (representing approximately 54.79% of the issued share capital of the Company as at the date of this announcement), is wholly-owned by Macrolink Culturaltainment, and is accordingly a connected person of the Company under the Listing Rules.

As the applicable percentage ratios calculated with reference to each of the Rental Annual Caps and the Security Service Annual Caps under the Master Service Agreement are more than 0.1% but less than 5%, the leasing of office premises and provision of security and guarding services contemplated under the Master Service Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Property Management Annual Caps exceed HK\$10,000,000 per annum and one of the applicable percentage ratios calculated with reference to which exceeds 5%, the provision of the Property Management Services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) after the Completion contemplated under the Master Service Agreement would constitute non-exempt continuing connected transactions of the Company subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

GENERAL

The Company will convene and hold the SGM to seek approval from the Independent Shareholders to consider, and if thought fit, approve, among other matters, the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps).

An Independent Board Committee, comprising all the independent non-executive Directors, has been established to consider the terms of the Property Management Services under the Master Service Agreement (including the proposed Property Management Annual Caps), and to advise the Independent Shareholders as to whether the terms of the Property Management Services under the Master Service Agreement (including the proposed Property Management Annual Caps) are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, further details of the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps), the recommendation of the Independent Board Committee, the letter of advice from the Independent Financial Adviser, other information as required to be disclosed under the Listing Rules and a notice of the SGM and a form of proxy is expected to be despatched to the Shareholders on or before 17 April 2023.

Shareholders and potential investors of the Company should note that the Master Service Agreement is subject to fulfillment of certain conditions precedent (including but not limited to the Completion under the Acquisition Agreement). As the Acquisition may or may not proceed, the Master Service Agreement may or may not become unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set forth below:

“Acquisition”	the proposed acquisition of 100% of the equity interest in the Target Company by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement, details of which are set out in the Circular
“Acquisition Agreement”	the conditional sale and purchase agreement dated 4 January 2023 entered into between the Purchaser and the Vendor in relation to the Acquisition
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“Circular”	the circular of the Company dated 22 March 2023 in relation to the Acquisition
“Company”	New Silkroad Culturaltainment Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group as enlarged by the Acquisition immediately after Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all its independent non-executive Directors established for the purpose of advising the Independent Shareholders on the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps)

“Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps)
“Independent Shareholders”	Shareholders other than Macrolink International Land and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macrolink Culturaltainment”	Macrolink Culturaltainment Development Co., Ltd., a company listed on the Shenzhen Stock Exchange with stock code: SZ000620 which wholly owns Macrolink International Land, a controlling shareholder of the Company
“Macrolink International Land”	Macro-Link International Land Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Macrolink Culturaltainment, being the controlling shareholder of the Company holding approximately 54.79% of the issued share capital of the Company as at the date of this announcement

“Master Service Agreement”	the master service agreement dated 22 March 2023 and entered into between the Purchaser and Macrolink Culturaltainment in respect of (i) the provision of the Property Management Services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries); (ii) the leasing of office premises by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group; and (iii) the provision or procurement of provision of security and guarding services and other ancillary services by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property Management Annual Caps”	the maximum aggregate annual value for three years in respect of the provision of property management and other ancillary services by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) contemplated under the Master Service Agreement
“Property Management Services”	the property management services provided or to be provided by the Target Group to Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) in the PRC
“Purchaser”	四川絲路數據科技有限公司 (Sichuan Silkroad Data Technology Company Limited [#]), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company

“Rental Annual Caps”	the maximum aggregate annual value for three years in respect of the rental payment for the leasing of office premises by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) to the Target Group contemplated under the Master Service Agreement
“Security Service Annual Caps”	the maximum aggregate annual value for three years in respect of the provision or procurement of the provision of security and guarding services and other ancillary services by Macrolink Culturaltainment and its associates (save for the Company and its subsidiaries) contemplated under the Master Service Agreement
“SGM”	the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve the terms of the Master Service Agreement in respect of the Property Management Services (including the proposed Property Management Annual Caps)
“Share(s)”	shares of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	北京潮來潮往文化傳媒有限公司 (Beijing Chaolaichaowang Culture Media Company Limited [#]), a company established under the laws of the PRC and wholly owned by the Vendor
“Target Group”	the Target Company and its subsidiaries

“Vendor”	北京運河長基投資有限公司 (Beijing Yunhe Zhangji Investment Limited [#]), a company established under the laws of the PRC and wholly-owned by 北京新華聯置地有限公司 (Beijing Macrolink Land Limited [#]), which is in turn wholly-owned by Macrolink Culturaltainment Development Co., Ltd., the sole shareholder of the controlling shareholder of the Company
“Yuehao Property Management”	a brand name operating property management business in the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

The English names of entities marked with “#” in this announcement are not the official names and are translated for identification purpose only.

The exchange rate of RMB1.00 to HK\$1.13 is used in this announcement for illustration purpose only. No representation is made that any amounts in RMB or HK\$ could be converted at such rates or any other rates.

By order of the Board
New Silkroad Culturaltainment Limited
Ma Chenshan
Chairman and Executive Director

Hong Kong, 22 March 2023

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Ma Chenshan, Mr. Zhang Jian, Mr. Hang Guanyu and Mr. Liu Huaming, and three independent non-executive Directors, namely Mr. Ting Leung Huel, Stephen, Mr. Tse Kwong Hon and Mr. Cao Kuangyu.