THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in EverChina Int'l Holdings Company Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

EVERCHINA INT'L HOLDINGS COMPANY LIMITED
潤 中 國 際 控 股 有 限 公 司

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

(1) MAJOR TRANSACTION;
AND
(2) NOTICE OF GENERAL MEETING

A letter from the board of directors of EverChina Int'l Holdings Company Limited (the "**Company**") is set out on pages 6 to 75 of this circular.

A notice convening the general meeting of the Company to be held at Unit 1506, 15/F., Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong at 10:30 a.m. on Friday, 15 March 2024, is set out on pages 94 to 95 of this circular. A form of proxy for use at the general meeting of the Company is enclosed with this circular.

Whether or not you are able to attend the general meeting of the Company, you are requested to complete the accompanying form of proxy in accordance with instructions printed thereon and return it to the share registrar of the Company, Tricor Tengis Limited at 17th Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours before the time for holding the general meeting of the Company or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the general meeting of the Company or any adjournment thereof should you so wish.

20 February 2024

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

"25%Acquisition Agreement"	the sale and purchase agreement dated 28 December 2023 and signed by Shanghai Shixuan and the PRC Subsidiary in relation to the sale and purchase of 25% equity interests in the Purchaser
"75% Acquisition Agreement"	the sale and purchase agreement dated 28 December 2023 and signed by Shanghai Shixuan and the JV Partner in relation to the sale and purchase of 75% equity interests in the Purchaser
"Acquisition Custodian Account"	the bank account to be opened with the Acquisition Custodial Bank in the name of the PRC Subsidiary
"Acquisition Custodian Agreement"	the custodian agreement dated 28 December 2023 and signed by the PRC Subsidiary, the JV Partner and the Acquisition Custodian Bank in relation to custodian of the PRC Subsidiary Contribution
"Acquisition Custodian Bank"	Bank of China Limited Shanghai Jing'an Sub-branch* (中國銀行股份有限公司上海市靜安支行)
"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Carpark"	A 2-storey carpark with a gross floor area of 18,329.46 sq.m.
"Company"	EverChina Int'l Holdings Company Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Stock Exchange
"Completion"	completion of the Disposal
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	directors of the Company
"Disposal"	the disposal of the Properties pursuant to the Disposal Agreement

"Disposal Agreement"	the sale and purchase agreement dated 10 January 2024 entered into between the Vendor and the Purchaser in relation to the Disposal
"Disposal Conditions"	the conditions set out in the paragraph headed "Disposal Conditions" in the section headed "The Disposal Agreement"
"Disposal Consideration"	the aggregate consideration of RMB360,000,000 (equivalent to approximately HK$392,760,000), which has included the value added tax of RMB3,952,300 (equivalent to approximately HK$4,312,000)
"Disposal Custodian Account"	the bank account to be opened with the Disposal Custodial Bank in the name of the Purchaser
"Disposal Custodian Agreement"	the custodian agreement dated 10 January 2024 and signed by the Vendor, the Purchaser and the Disposal Custodian Bank in relation to custodian of the 1st Instalment
"Disposal Custodian Bank"	China CITIC Bank Corporation Limited Shanghai Branch* (中信銀行股份有限公司上海分行)
"Earnest Money"	the earnest money payable under the LOI, being RMB5,000,000 (equivalent to approximately HK$5,455,000)
"GM"	the general meeting of the Company to be convened to be held to approve the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hotel"	the hotel operating under the name "Holiday Inn Express Shanghai Wujiaochang (上海五角場智選假日酒店)" as at the Latest Practicable Date; or the serviced apartments to be managed under the name "Modena by Fraser" after its renovation
"Hotel Management Documents"	all existing documents entered into between the Group and the Hotel Manager in relation to management of the Hotel

"Hotel Manager"	Intercontinental Hotels Group (Shanghai) Ltd. (六洲酒店管理（上海）有限公司), Six Continents Hotels, Inc.,, and their respective associated entities, whom to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties
"Independent Third Party(ies)"	third party(ies) independent of the Group and its connected persons
"JV Partner"	Shanghai Jingyi Equity Investment Partnership (Limited Partnership)* (上海景奕股權投資合夥企業（有限合夥）)
"Latest Practicable Date"	9 February 2024, being the latest practicable date prior to the bulk-printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LOI"	the letter of intent dated 23 May 2023 and entered into between the Vendor and Tishman Consultancy in relation to the possible disposal of the Properties
"Master Agreement"	the agreement dated 28 December 2023 entered into among the Vendor, the PRC Subsidiary, the JV Partner and the Purchaser
"New Hotel Management Agreement"	the management agreement to be signed by the Purchaser and the New Hotel Manager
"New Hotel Manager"	Shanghai Xing Feng Hotel Management Co., Ltd.* (上海星豐酒店管理有限公司)
"New Property Management Agreement"	the property management agreement dated 10 January 2024 and entered into between the Property Manager and the Purchaser in relation to property management of certain area of the Properties
"PRC"	the People's Republic of China (which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
"Properties"	the Hotel and the Carpark, which form part of Yifu Business Plaza* (怡富商務廣場)

"Property Management Agreement"	the property management agreement entered into between the Property Manager and the PRC Subsidiary
"Property Manager"	Shanghai Chun Chuan Property Service Co., Ltd.* (上海春川物業服務有限公司), the property manager of Yifu Business Plaza* (怡富商務廣場) (including the Properties) as at the Latest Practicable Date, and a member of the private group of companies controlled by Mr. Jiang Zhaobai, a substantial Shareholder, a non-executive Director and the chairman of the Company
"Property Transfer Agreement"	the property transfer agreement (房地產買賣合同) to be entered into between the Vendor and the Purchaser in relation to the title transfer of the Properties
"Purchaser"	Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司), a company established in the PRC
"Purchaser's Articles"	the new articles of association of the Purchaser dated 28 December 2023 and signed by the PRC Subsidiary and the JV Partner
"PRC Subsidiary"	Tianfu (Shanghai) Hotel Management Company Limited* (天富（上海）酒店管理有限公司), a company established in the PRC which is a wholly-owned subsidiary of the Vendor
"Renovation Consultancy Agreement"	the agreement to be signed by the Purchaser, Tishman Consultancy and Tishman Advisory
"SAIC"	The State Administration for Industry and Commerce (國家工商行政管理總局)
"Shanghai Shixuan"	Shanghai Shixuan Enterprise Management Co., Ltd.* (上海獅瑄企業管理有限公司)
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	holder(s) of the Shares
"Shareholders' Agreement"	the shareholders' agreement dated 28 December 2023 and signed by the PRC Subsidiary and the JV Partner relating to the ownership and operation of the Purchaser

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Technical Support Services Agreement"	the technical support services agreement to be signed by the Purchaser and the New Hotel Manager
"Tenancy Agreement"	the tenancy agreement entered between the Vendor and the PRC Subsidiary in respect of the Properties
"Tishman Advisory"	Tishman Speyer China Manager, L.L.C.
"Tishman Consultancy"	Tishman (Shanghai) Management Co., Ltd. (鐵獅門（上海）管理有限公司), a company established in the PRC
"Title Transfer Application"	the application for the title transfer of the Properties
"Vendor"	Loyal Rich International Investment Limited (來富國際投資有限公司), a company incorporated in Hong Kong with limited liability
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.
"sq.m."	square metre

In this circular, RMB are converted into HK$ on the basis of RMB1 = HK$1.091 for illustrative purpose. No representation is made that any amounts in RMB or HK$ can be or could have been converted at the relevant dates at the above rate or any other rates at all.

* *For identification purpose only*

EVERCHINA INT'L HOLDINGS COMPANY LIMITED
潤中國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

Executive Directors:
Mr. Chen Yi, Ethan
Mr. Jiang Xiao Heng Jason

Non-executive Director:
Mr. Jiang Zhaobai *(chairman)*

Independent non-executive Directors:
Mr. Ho Yiu Yue, Louis
Mr. Ko Ming Tung, Edward
Mr. Ng Ge Bun

Registered office:
Unit 1506, 15th Floor
Capital Centre
151 Gloucester Road
Wanchai, Hong Kong

20 February 2024

To the Shareholders,

Dear Sir or Madam,

(1) MAJOR TRANSACTION;
AND
(2) NOTICE OF GENERAL MEETING

INTRODUCTION

On 28 December 2023 (after trading hours), (i) the Vendor (a wholly-owned subsidiary of the Company); (ii) the PRC Subsidiary (a wholly-owned subsidiary of the Vendor); (iii) the JV Partner; and (iv) the Purchaser entered into the Master Agreement to set out the roadmap regarding the Group's disposal of 75% effective interest in the Properties (being the Hotel and the Carpark) to the Purchaser, as well as the refurbishment and rebranding of the Hotel into serviced apartments to be operated under the brand "Modena by Fraser". The Master Agreement is legally binding on all parties thereto.

To achieve the above, various agreements have been and will be signed. In particular, the PRC Subsidiary has entered into the 25% Acquisition Agreement on 28 December 2023 (after trading hours). The 25% Acquisition Agreement is not subject to any conditions and the PRC Subsidiary became holder of 25% equity interests in the Purchaser upon registration with SAIC. The Shareholders' Agreement and the Purchaser's Articles have also been signed on 28 December 2023 to regulate the shareholders' rights and operations of the Purchaser, in particular, as regards the PRC Subsidiary's obligations to make the PRC Subsidiary Contribution (being RMB64,000,000 (equivalent to approximately HK$69,824,000)) to the Purchaser (partly in the form of registered capital and partly as shareholder's loan). As at the Latest Practicable Date, the remaining equity interests of the Purchaser was held by the JV Partner, a private investment fund the general partner of which is a subsidiary of Tishman Speyer Group, a reputable group principally engaged in real estate investment.

Thereafter, the Vendor and the Purchaser have entered into the Disposal Agreement to dispose of the entire interests in the Properties at the Disposal Consideration, being RMB360,000,000 (equivalent to approximately HK$392,760,000). Completion is subject to fulfilment (or waiver, as the case may be) of the Disposal Conditions. One of the Disposal Conditions is that the Shareholders shall have approved of the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder. Upon Completion, the Group shall hold 25% indirect interest in the Properties.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the 25% Acquisition and the PRC Subsidiary Contribution exceeded 5% but below 25%, the 25% Acquisition and the PRC Subsidiary Contribution constitute discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, which is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) details regarding disposal of 75% effective interest in the Properties; (ii) the property valuation report on the Properties; (iii) other information as required under the Listing Rules; and (iv) the notice of the GM.

BACKGROUND

Existing Ownership of the Properties

As at the Latest Practicable Date, the Group was the legal and beneficial owner of the Properties, being the Hotel (i.e., Holiday Inn Express Shanghai Wujiaochang (上海五角場智選假日酒店) and the Carpark (i.e., a 2-storey carpark)), both located in and forming part of the Yifu Business Plaza* (怡富商務廣場) in Yangpu District, Shanghai, the PRC. Currently, the

Properties are held by the Vendor (being an indirect wholly-owned subsidiary of the Company) and are leased to the PRC Subsidiary (being a direct wholly-owned subsidiary of the Vendor) as operator of the Hotel pursuant to the Tenancy Agreement. The Hotel is managed by the Hotel Manager under the brand "Holiday Inn Express". Property management of the Properties is carried out by the Property Manager (being a member of the private group of companies controlled by Mr. Jiang Zhaobai, a substantial Shareholder, a non-executive Director and the chairman of the Company) pursuant to the Property Management Agreement. After the Hotel has ceased serving as a quarantine hotel in January 2023, it has since become vacant.

The Master Agreement

On 28 December 2023 (after trading hours), (i) the Vendor; (ii) the PRC Subsidiary; (iii) the JV Partner; and (iv) the Purchaser entered into the Master Agreement to set out the roadmap regarding the Group's disposal of 75% effective interest in the Properties to the Purchaser, as well as the refurbishment and re-branding of the Hotel into serviced apartments to be operated under the brand "Modena by Fraser".

The Purchaser and the JV Partner

As at the date of the Master Agreement, so far as the Company understands:

(i) the entire equity interests of the Purchaser was held by Shanghai Shixuan, which was a subsidiary of Tishman Speyer Group; and

(ii) the JV Partner was a private investment fund with:

(a) its fund manager being Shanghai Shiyao Investment Consulting Co., Ltd.* (上海獅耀投資諮詢有限公司), another subsidiary of Tishman Speyer Group;

(b) its general partner being Shanghai Shixuan, holding 2.5% interests of the JV Partner;

(c) its limited partners being:

(1) The National Trust Ltd* (國民信託有限公司), holding 54.51%;

(2) Guotong Trust Co., Ltd.* (國通信託有限責任公司), holding 31.51%; and

(3) Danjiangkou Huahan Shite Equity Investment Partnership (Limited Partnership)* (丹江口市華函石特股權投資合夥企業(有限合夥)), holding 11.48%.

The Purchaser was established on 27 June 2023. As at the date of the Master Agreement, none of the Purchaser's registered capital had been paid up. Its net profit before and after tax for the period commencing from its establishment to 30 November 2023 amounted to RMB0.

The roadmap

The roadmap according to the Master Agreement (details of which are set out in section A below) is set out as follows:

1. step 1: the PRC Subsidiary and the JV Partner shall acquire 25% and 75% respective interests in the Purchaser from Shanghai Shixuan, whereupon the following documents have been signed on the same date as the Master Agreement:

   i. the 75% Acquisition Agreement (detailed terms of which are set out in section C below);

   ii. the 25% Acquisition Agreement (detailed terms of which are set out in section B below);

   iii. the Acquisition Custodian Agreement (detailed terms of which are set out in section D below);

   iv. the Shareholders' Agreement (detailed terms of which are set out in section E below); and

   v. the Purchaser's Articles (detailed terms of which are set out in section F below);

2. step 2: the PRC Subsidiary and the JV Partner shall apply for registration of the above transfer within 5 business days. Upon the PRC Subsidiary and the JV Partner having been registered as equity holders of 25% and 75% respective interests of the Purchaser, the Vendor and the Purchaser shall proceed with the sale and purchase of the entire interests of the Properties, whereupon the following documents shall be signed:

   vi. the Disposal Agreement (detailed terms of which are set out in section G below); and

   vii. the Disposal Custodian Agreement (detailed terms of which are set out in section H below);

   As at the Latest Practicable Date, (a) the PRC Subsidiary and the JV Partner had become registered holder of 25% and 75% equity interests of the Purchaser respectively; and (b) the Disposal Agreement and the Disposal Custodian Agreement had been signed.

3. step 3: within 10 business days after the signing of the Disposal Agreement, the following agreements shall be signed by the Purchaser:

    viii. the Renovation Consultancy Agreement (detailed terms of which are set out in section I below);

    ix. the Technical Support Services Agreement (detailed terms of which are set out in section J below); and

    x. the New Hotel Management Agreement (detailed terms of which are set out in section K below).

As one of the Disposal Conditions set out in the Disposal Agreement, the New Property Management Agreement (detailed terms of which are set out in section L below) had also been signed between the Purchaser and the Property Manager as at the Latest Practicable Date.

Disposal Consideration

Pursuant to the Disposal Agreement, the Disposal Consideration (being RMB360,000,000 (equivalent to approximately HK$392,760,000)) shall be payable as follows:

(i) as to RMB108,000,000 (equivalent to approximately HK$117,828,000), representing 30% of the Disposal Consideration (the "**1st Instalment**"), shall be payable into the Disposal Custodian Account within 10 business days after the date of the Disposal Agreement;

(ii) as to RMB65,600,000 (equivalent to approximately HK$71,570,000, representing 18.22% of the Disposal Consideration (the "**2nd Instalment**") shall be payable after release of the 1st Instalment from the Disposal Custodian Account;

(iii) as to RMB168,400,000 (equivalent to approximately HK$183,724,000), representing 46.78% of the Disposal Consideration (the "**3rd Instalment**") shall be payable after (a) fulfilment (or waiver, as the case may be) of the Disposal Conditions; (b) the Purchaser having obtained the new real estate ownership certificate (《不動產權證書》) of the Properties; and (c) the lending entity to the Purchaser having been registered as first chargee of the Properties; and

(iv) RMB18,000,000 (equivalent to approximately HK$19,638,000), representing 5% of the Disposal Consideration shall be payable after expiry of 3 months from the date of Completion.

The Group's contribution to the Purchaser

Pursuant to the Shareholders' Agreement, the PRC Subsidiary shall contribute RMB64,000,000 (equivalent to approximately HK$69,824,000, the "**PRC Subsidiary Contribution**") to the Purchaser, partly in the form of registered capital and partly in the form of shareholder's loan. Pursuant to the Master Agreement and the Shareholders' Agreement, such amount shall be paid out of the 1st Instalment to be received by the Group under the Disposal Agreement.

The Group's interest upon Completion

Upon Completion, the Group shall indirectly hold 25% interests in the Properties.

A. THE MASTER AGREEMENT

Date

28 December 2023 (after trading hours)

Parties

(i)	Vendor:	Loyal Rich International Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
(ii)	The PRC Subsidiary:	Tianfu (Shanghai) Hotel Management Company Limited* (天富（上海）酒店管理有限公司), a company established in the PRC and a wholly-owned subsidiary of the Vendor
(iii)	The JV Partner:	Shanghai Jingyi Equity Investment Partnership (Limited Partnership)* (上海景奕股權投資合夥企業(有限合夥)), a private investment fund established in the PRC and filed with the Asset Management Association of China* (中國證券投資基金業協會) in the PRC
(iv)	The Purchaser:	Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司), a company established in the PRC

The limited partners of the JV Partner and their relevant information according to Shanghai Shixuan are as follows:

(i) The National Trust Ltd.* (國民信託有限公司, holding 54.51% of the JV Partner), a trust company with the corresponding product being "國民信託鐵獅門中國基金投資1號集合資金信託計畫", a trust plan of assembled funds (集合資金信託計畫)

registered with the China Trust Registration Co., Ltd.* (中國信託登記有限責任公司) of the PRC, with The National Trust Ltd.* (國民信託有限公司) being the trustee whereby the investors (beneficiaries) in such trust plan amount to 98;

(ii) Guotong Trust Co., Ltd.* (國通信託有限責任公司, holding 31.51% of the JV Partner), a trust company with the corresponding product being "國通信託獅通投資1號集合資金信託計畫", a trust plan of assembled funds (集合資金信託計畫) registered with the China Trust Registration Co., Ltd.* (中國信託登記有限責任公司) of the PRC, with Guotong Trust Co., Ltd.* (國通信託有限責任公司) being the trustee whereby the investors (beneficiaries) in such trust plan amount to 54; and

(iii) Danjiangkou Huahan Shite Equity Investment Partnership (Limited Partnership)* (丹江口市華函石特股權投資合夥企業(有限合夥), holding 11.48% of the JV Partner), a private investment fund filed with the Asset Management Association of China (中國證券投資基金業協會) in the PRC, whereby (a) the general partner is 共青城華建函數私募基金管理有限公司 (itself holding 0.02% of Danjiangkou Huahan Shite Equity Investment Partnership (Limited Partnership)* 丹江口市華函石特股權投資合夥企業(有限合夥)), which is ultimately and beneficially owned as to approximately 51% by Zeng Jianhua* 張儉華, approximately 29% by Yang Mei* 楊眉 and approximately 20% by Hou Jian* 候建; and (b) the limited partner is Shiheng Special Steel Group Co., Ltd.* 石橫特鋼集團有限公司, holding 99.98% of Danjiangkou Huahan Shite Equity Investment Partnership (Limited Partnership)* 丹江口市華函石特股權投資合夥企業(有限合夥). Shiheng Special Steel Holdings Group Co., Ltd.*石橫特鋼控股集團有限公司, holding 95% of shareholding interest in Shiheng Special Steel Group Co., Ltd.* 石橫特鋼集團有限公司. Shiheng Special Steel Holdings Group Co., Ltd is owned as to approximately 27.3% by Zhang Wei* 張偉, approximately 23.2% by Wing Tai Holdings Limited, its shares listed on the Singapore Stock Exchange, stock code: SGX W05, approximately 11.7% by Zhang Xia* 張霞, approximately 7.9% by Lu Tianran* 呂天然 and approximately 7.8% by 石橫特鋼集團有限公司工會委員會. The remaining equity interests are held by seven other individuals each holding not more than 6% of the issued shares of Shiheng Special Steel Holdings Group Co., Ltd* 石橫特鋼控股集團有限公司.

As set out above, as at the date of the Master Agreement, the Purchaser was held by Shanghai Shixuan, which was a subsidiary of Tishman Speyer Group, which in turn was controlled by Jerry I. Speyer and Robert J. Speyer. According to Shanghai Shixuan, Tishman Speyer Group is principally engaged in real estate investment including but not limited to ownership, development, fund management and operation of real estate properties, and is active across the North America, Europe, South America, and Asia. Currently, it has projects in different stages of development in major cities around the world including Beijing, Shanghai, Shenzhen, São Paulo, Rio de Janeiro, London, New York, Washington D.C. and Los Angeles.

As at the Latest Practicable Date, the Purchaser was held as to 25% by the PRC Subsidiary and as to 75% by the JV Partner

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save that the PRC Subsidiary is a subsidiary of the Company (holding 25% equity interests of the Purchaser), the Purchaser, the JV Partner as well as their respective ultimate beneficial owners are Independent Third Parties.

As set out in the annual report of the Company for the year ended 31 March 2023 as well as the interim report of the Company for the 6 months ended 30 September 2023, the LOI (being a letter of intent in relation to the possible disposal of the Properties) was entered into between the Vendor and Tishman Consultancy (being, according to Shanghai Shixuan, a wholly-owned subsidiary of Tishman Speyer Group) on 23 May 2023. Save for the aforesaid, there was no previous transaction entered into between the Group and the Purchaser before the date of the Master Agreement.

Principal terms of the Master Agreement

Roadmap

(i) At the time of signing of the Master Agreement:

(a) the JV Partner shall sign the 75% Acquisition Agreement with Shanghai Shixuan to acquire 75% equity interests in the Purchaser;

(b) the PRC Subsidiary shall sign the 25% Acquisition Agreement with Shanghai Shixuan to acquire 25% equity interests in the Purchaser; and

(c) the JV Partner and the PRC Subsidiary shall sign the Shareholders' Agreement and the Purchaser's Articles.

(ii) Within 5 business days after the above transfer having been registered with the SAIC, the Vendor and the Purchaser shall sign the Disposal Agreement and the relevant ancillary documents (such as the Disposal Custodian Agreement).

(iii) Within 10 business days after signing the Disposal Agreement, the JV Partner and the PRC Subsidiary shall procure the Purchaser to sign:

(a) the Renovation Consultancy Agreement with Tishman Consultancy and Tishman Advisory (being, according to Shanghai Shixuan, another wholly-owned subsidiary of Tishman Speyer Group) in relation to renovation of the Hotel;

(b) the Technical Support Service Agreement with the New Hotel Manager in relation to the technical consultancy services to be provided by the New Hotel Manager in relation to the renovation until the opening of the Hotel as serviced apartments; and

(c) the New Hotel Management Agreement with the New Hotel Manager in relation to the post-renovation operation and management of the Hotel.

As at the Latest Practicable Date, (a) the PRC Subsidiary and the JV Partner had become registered holder of 25% and 75% equity interests of the Purchaser respectively; and (b) the Disposal Agreement and the Disposal Custodian Agreement had been signed.

The Purchaser

(i) Set out below is a table showing the equity interests and contributions to be made by the JV Partner and the PRC Subsidiary:

Name of party	**Percentage of equity holding**	**Amount of contribution**	**Contribution in the form of registered capital**	**Contribution in the form of shareholders' loan**
JV Partner	75%	RMB192,000,000 (equivalent to approximately HK$209,472,000)	RMB129,352,500 (equivalent to approximately HK$141,124,000)	RMB62,647,500 (equivalent to approximately HK$68,348,000)
PRC Subsidiary	25%	RMB64,000,000 (equivalent to approximately HK$69,824,000, i.e., the PRC Subsidiary Contribution)	RMB43,117,500 (equivalent to approximately HK$47,041,000)	RMB20,882,500 (equivalent to approximately HK$22,783,000)
Total:	**100%**	**RMB256,000,000 (equivalent to approximately HK$279,296,000)**	**RMB172,470,000 (equivalent to approximately HK$188,165,000)**	**RMB83,530,000 (equivalent to approximately HK$91,131,000)**

Initial Contribution and payment of the 1st Instalment

(i) The JV partner shall make an initial contribution of RMB180,000,000 (equivalent to approximately HK$196,380,000) (the "**Initial Contribution**") to the Purchaser, partly in the form of registered capital and partly in the form of shareholders' loan;

(ii) pursuant to the Disposal Agreement, the 1st Instalment (being RMB108,000,000 (equivalent to approximately HK$117,828,000)) is to be paid to the Disposal Custodian Account within 10 business days after the signing of the Disposal Agreement; and

(iii) the JV Partner and the PRC Subsidiary agree that the 1st Instalment shall be paid by the Purchaser by applying part of the proceeds from the Initial Contribution paid by the JV Partner.

PRC Subsidiary Contribution and Acquisition Custodian Agreement

(i) The JV Partner and the PRC Subsidiary shall also enter into the Acquisition Custodian Agreement with the Acquisition Custodian Bank as regards the PRC Subsidiary Contribution (being RMB64,000,000 (equivalent to approximately HK$69,824,000)). The Acquisition Custodian Account shall be opened in the name of the PRC Subsidiary and all interest accrued in this account shall be paid to the PRC Subsidiary.

(ii) Upon release of the 1st Instalment from the Disposal Custodian Account in accordance with the terms of the Disposal Agreement, the Purchaser shall direct payment of RMB64,000,000 (equivalent to approximately HK$69,824,000, i.e., an amount equivalent to the PRC Subsidiary Contribution) out of such 1st Instalment to the Acquisition Custodian Account.

(iii) Provided the JV Partner shall have made the Initial Contribution, within 2 business days after deposit of the PRC Subsidiary Contribution into the Acquisition Custodian Account, RMB60,000,000 (equivalent to approximately HK$65,460,000) shall be directed to be paid into the Purchaser's account in order to satisfy part of the payment obligations of the PRC Subsidiary Contribution.

Payment of the remaining instalments of the Disposal Consideration

(i) Upon the Purchaser's receipt of the aforesaid RMB60,000,000 (equivalent to approximately HK$65,460,000), the Purchaser shall pay the 2nd Instalment to the Vendor.

(ii) The 3rd Instalment shall be funded by the Purchaser's bank borrowings.

Default

(i) In the event the PRC Subsidiary fails to pay the RMB60,000,000 (equivalent to approximately HK$65,460,000) contribution to the Purchaser, the PRC Subsidiary shall be liable to pay the JV Partner compensation and indemnification according to the Shareholders' Agreement.

(ii) If the PRC Subsidiary's failure to make contribution to the Purchaser renders the Purchaser not being able to complete its acquisition of the Properties under the Disposal Agreement, and the Purchaser shall have incurred any loss as regards any payment made by it under the Disposal Agreement (including but not limited to the 1st Instalment), the PRC Subsidiary shall be liable to indemnify the JV Partner in the latter's funding of the 1st Instalment.

(iii) If the PRC Subsidiary fails to make the PRC Subsidiary Contribution, the Purchaser shall not be liable to pay the remaining instalments of the Disposal Consideration under the Disposal Agreement. This shall not be construed as the Purchaser's breach of the Disposal Agreement. Instead, the PRC Subsidiary shall be liable to pay compensation to and indemnify the JV Partner under the Shareholders' Agreement, and the PRC Subsidiary shall also indemnify the JV Partner for any amount that had been paid to the Purchaser as payment of the Disposal Consideration.

(iv) In the event the PRC Subsidiary fails to make the PRC Subsidiary Contribution in accordance with the Master Agreement and the Shareholders' Agreement, thus rendering the Purchaser not being able to pay the remaining instalments of the Disposal Consideration, this shall not be construed as the Purchaser's breach of the Disposal Agreement. In the event the PRC Subsidiary has not made the relevant contribution for over 10 business days, the JV Partner shall be entitled to procure the Purchaser to exercise the latter's rights under the Disposal Agreement to terminate the Disposal Agreement. In such event, the PRC Subsidiary shall indemnify the JV Partner under the Shareholders' Agreement.

(v) In the event the JV Partner fails to fund the payment of the 1st Instalment in accordance with the Master Agreement and the Disposal Agreement, and thus rendering the Purchaser's failure to pay the 1st Instalment, any liability of the Purchaser under the Disposal Agreement shall be borne by the JV Partner.

(vi) In the event the JV Partner fails to provide instructions for release of the PRC Subsidiary Contribution from the Acquisition Custodian Account in accordance with the Master Agreement and the Acquisition Custodian Agreement, and thus rendering the PRC Subsidiary failing to make its contribution to the Purchaser and the Purchaser failing to pay the Disposal Consideration, this shall not be construed as the PRC Subsidiary's breach under the Shareholders' Agreement. Any liability of the Purchaser under the Disposal Agreement shall be borne by the JV Partner.

Voting

Since the Vendor and the PRC Subsidiary are related parties, the PRC Subsidiary shall abstain from voting on all Purchaser's resolutions relating to the Purchaser's acquisition of the Properties. The PRC Subsidiary, however, shall be entitled to attend any such meeting and provide its opinion.

Payment direction

(i) The Vendor directs all payment to be made to it under the Disposal Agreement be made to the PRC Subsidiary, whereupon any payment by the Purchaser to the PRC Subsidiary shall constitute absolute discharge of the Purchaser's payment obligations under the Disposal Agreement.

(ii) The above direction also applies to any refund or payment obligations of the Vendor under the Disposal Agreement or the Master Agreement, whereupon the PRC Subsidiary shall make any such payment on behalf of the Vendor. The Vendor and the PRC Subsidiary shall bear joint and several obligations regarding such payment obligations.

Termination

(i) In the event Shareholders' approval cannot be obtained as regards the transactions contemplated under the Disposal Agreement and the Shareholders' Agreement, the Master Agreement, the Disposal Agreement and the Shareholders' Agreement shall terminate.

(ii) In such event, the Vendor and the PRC Subsidiary shall be liable for the relevant liabilities under the Disposal Agreement and the Shareholders' Agreement.

(iii) Within 10 business days after termination of the Disposal Agreement, the Vendor shall co-operate regarding release of the 1st Instalment from the Disposal Custodian Account, the PRC Subsidiary shall co-operate to procure the Purchaser to refund the capital contribution made by the JV Partner.

(iv) In the event the Vendor and the JV Partner refuse the aforesaid co-operation, they shall be liable to pay the JV partner an amount equivalent to 0.03% per day of the refund amount as damages.

Legal effect

The Master Agreement is legally binding on all parties thereto.

B. THE 25% ACQUISITION AGREEMENT

Date

28 December 2023 (after trading hours)

Parties

(i)	Vendor:	Shanghai Shixuan
(ii)	Purchaser:	the PRC Subsidiary

As set out above, Shanghai Shixuan is a wholly-owned subsidiary of Tishman Speyer Group, which is ultimately controlled by Jerry I. Speyer and Robert J. Speyer. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Shixuan and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

25% equity interests of the Purchaser. As at the date of the 25% Acquisition Agreement, the registered capital of the Purchaser was RMB1,000,000 (equivalent to approximately HK$1,091,000), none of which had been paid up. As at the Latest Practicable Date, the registered capital of the Purchaser had been increased to RMB172,470,000 (equivalent to approximately HK$188,165,000), which had yet been paid up.

Consideration

RMB0 (equivalent to HK$0), which is determined after arm's length negotiations between Shanghai Shixuan and the Group based on the fact that none of the registered capital of the Purchaser had been paid up as at the date of the 25% Acquisition Agreement.

Registration of transfer

The sale and purchase under the 25% Acquisition Agreement is unconditional. Shanghai Shixuan and the PRC Subsidiary shall proceed with SAIC registration in relation thereto within 5 business days after the date of the 25% Acquisition Agreement. As at the Latest Practicable Date, the transactions under the 25% Acquisition Agreement had completed and the PRC Subsidiary had become registered holder of 25% equity interests of the Purchaser.

The Directors considers the terms of the 25% Acquisition Agreement are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

C. THE 75% ACQUISITION AGREEMENT

Save for the parties to the agreement (which are set out below), the terms of the 75% Acquisition Agreement (including the date thereof) are materially the same as the 25% Acquisition Agreement:

(i) Vendor: Shanghai Shixuan

(ii) Purchaser: the JV Partner

As at the Latest Practicable Date, the transactions under the 75% Acquisition Agreement had completed and the JV Partner had become registered holder of 75% equity interests of the Purchaser.

D. THE ACQUISITION CUSTODIAN AGREEMENT

Date

28 December 2023 (after trading hours)

Parties

(i) The PRC Subsidiary;

(ii) the JV Partner; and

(iii) the Acquisition Custodian Bank.

Principal terms of the Acquisition Custodian Agreement

Custodian amount: RMB64,000,000 (equivalent to approximately HK$69,824,000), i.e., the PRC Subsidiary Contribution

Term:

(i) The custodian obligations arise from the date when the PRC Subsidiary Contribution has been deposited with the Acquisition Custodian Account until such amount has been fully released in accordance with the terms of the Acquisition Custodian Agreement.

(ii) The term of the Acquisition Custodian Agreement is 5 years from its date, subject to early termination or extension agreed by the PRC Subsidiary, the JV Partner and the Acquisition Custodian Bank.

Acquisition Custodian Account:

(i) The Acquisition Custodian Account shall be opened by the PRC Subsidiary with the Acquisition Custodian Bank.

(ii) The Acquisition Custodian Account shall be jointly operated by the PRC Subsidiary and the JV Partner.

(iii) All drawings, transfers and other operations of the Acquisition Custodian Account shall be made in accordance with the joint instructions from the PRC Subsidiary and the JV Partner.

(iv) Any interest accrued in the Acquisition Custodian Account shall be paid to the PRC Subsidiary.

(v) The Acquisition Custodian Account shall be closed and cancelled upon termination of the custodian obligations under the Acquisition Custodian Account.

Release of the custodian amount:

(i) In relation to the amount required to be released to the Purchaser's account, the PRC Subsidiary and the JV Partner shall provide joint instructions to the Acquisition Custodian Bank. The Acquisition Custodian Bank shall transfer the relevant amount to the Purchaser's account within 1 business day after receipt of such joint instructions.

(ii) In relation to the amount required to be released to accounts other than the Purchaser's, the PRC Subsidiary and the JV Partner shall provide joint instructions to the Acquisition Custodian Bank. The Acquisition Custodian Bank shall transfer the relevant amount to the account specified in the joint instructions within 1 business day after receipt of such joint instructions.

Custodian fee:

No custodian fee shall be chargeable by the Acquisition Custodian Bank. However, the PRC Subsidiary shall be responsible for all payment of transfer and other administrative fees payable in relation to the Acquisition Custodian Account.

E. THE SHAREHOLDERS' AGREEMENT

Date

28 December 2023 (after trading hours)

Parties

(i) The PRC Subsidiary; and

(ii) the JV Partner.

Principal terms of the Shareholders' Agreement

Shareholding structure upon completion of 25% Acquisition Agreement and 75% Acquisition Agreement:	(i) PRC Subsidiary 25% (ii) JV Partner 75%
Purpose:	For the acquisition, renovation, ownership and operation of the Properties
Business of the Purchaser:	hotel management, housing rental, leasing services (not including licensed leasing services), parking services, food and beverage management, information consultancy services (not including licensed information consultancy services), housekeeping services, laundry services, fitness and leisure activities, professional cleaning, cleaning and disinfection services, as well as marketing.
Term of operation:	30 years
Amount of investment:	(i) For the purpose of acquiring, renovating and operating the Properties by the Purchaser, the PRC Subsidiary and the JV Partner shall make contribution in the amount of RMB256,000,000 (equivalent to approximately HK$279,296,000) to the Purchaser, of which:

(a) the PRC Subsidiary shall contribute RMB64,000,000 (equivalent to approximately HK$69,824,000, being the PRC Subsidiary Contribution), of which RMB43,117,500 (equivalent to approximately HK$47,041,000) shall be made in the form of registered capital, and the remaining as shareholder's loan; the amount of the PRC Subsidiary Contribution was arrived at after arm's length negotiations between the JV Partner and the PRC Subsidiary with reference to the Disposal, the renovation and future operation of the Properties; and

(b) JV Partner shall contribute RMB192,000,000 (equivalent to approximately HK$209,472,000), of which RMB129,352,500 (equivalent to approximately HK$141,124,000) shall be made in the form of registered capital and the remaining as shareholder's loan.

(ii) The general manager of the Purchaser (who shall be appointed by the JV Partner) shall, based on the payment schedule of the Disposal Agreement and progress of the related renovation, notify the PRC Subsidiary and the JV Partner the amount, timing, and means of contribution, whereupon the PRC Subsidiary and the JV Partner shall ensure contribution be made at least 7 business days (or such other date as may be agreed by the PRC Subsidiary and the JV Partner) prior to the payment deadline under the Disposal Agreement or other documents.

(iii) Subject to below, the PRC Subsidiary and the JV Partner shall make their respective contribution in accordance with their shareholding in the Purchaser:

(a) payment of the 1st Instalment under the Disposal Agreement shall be made by the Purchaser by applying the contribution made by the JV Partner to the Purchaser;

(b) provided the JV Partner shall have made the Initial Contribution, the PRC Subsidiary shall make the relevant contribution to the Purchaser after release of the 1st Instalment such that the shareholding of the PRC Subsidiary and the JV Partner shall maintain at the ratio of 25:75; and

(c) in the event the PRC Subsidiary has failed to make such contribution, it shall constitute a breach of the Shareholders' Agreement, and provisions regarding default in contribution shall apply (including the obligation to pay the JV Partner compensation and to indemnify the JV Partner all loss in relation thereto).

Registered capital: As at the date of the Shareholders' Agreement, the registered capital of the Purchaser was RMB1,000,000 (equivalent to approximately HK$1,091,000). The PRC Subsidiary and the JV Partner agreed that the registered capital shall be increased to RMB172,470,000 (equivalent to approximately HK$188,165,000), of which:

(i) the PRC Subsidiary shall pay up RMB43,117,500 (equivalent to approximately HK$47,041,000), representing 25% of the registered capital, which shall be paid prior to expiry of the term operation of the Purchaser; and

(ii) the JV Partner shall pay up RMB129,352,500 (equivalent to approximately HK$141,124,000), representing 75% of the registered capital, which shall be paid prior to expiry of the term operation of the Purchaser.

Funding for the acquisition of the Properties and the related renovation:

(i) The Purchaser shall fund the acquisition of the Properties and the related renovation by:

(a) the contributions made by the PRC Subsidiary and the JV Partner (in the form of registered capital or shareholders' loan);

(b) bank borrowings or other fund raising.

(ii) In the event the Purchaser is required to provide security to secure any bank borrowings or other fund raising, it shall:

(a) firstly arrange for charge on the Purchaser's assets; and

(b) thereafter, subject to consent from both the PRC Subsidiary and the JV Partner as regards the means of credit, arrange for credit to be provided by the PRC Subsidiary and the JV Partner in proportion to their shareholding as required by the financier.

(iii) In the event the above funding is not sufficient, subject to consent from both the PRC Subsidiary and the JV Partner:

(a) firstly, additional shareholders' loan shall be made to the Purchaser in proportion to their shareholding at such interest and terms as may be agreed by the parties; and

(b) thereafter, subscription of equity interest in the Purchaser shall be made in proportion to the PRC Subsidiary and the JV Partner's shareholding or in such other means as may be agreed by the PRC Subsidiary and the JV Partner.

(iv) In any event, the aggregate amount of bank borrowings and other fund raising shall not exceed 60% of the total costs relating to the acquisition of the Properties and the related renovation.

Renovation Consultancy Agreement, Technical Support Services Agreement and New Hotel Management Agreement:

(i) The JV Partner and the PRC Subsidiary shall procure the Purchaser to sign the Renovation Consultancy Agreement, Technical Support Services Agreement and the New Hotel Management Agreement within 10 business days after signing the Disposal Agreement.

(ii) The JV Partner and the PRC Subsidiary agree that in the event any of them shall transfer their equity interests in the Purchaser to any third party, unless the transferee agrees to continue with the New Hotel Management Agreement, the Purchaser shall terminate the New Hotel Management Agreement pursuant to the early termination provisions of the New Hotel Management Agreement.

Board composition:

(i) The board of directors of the Purchaser (the "**Purchaser Board**") shall comprise 3 directors, who shall be nominated by the shareholders as follows:

(a) PRC Subsidiary: 1

(b) JV Partner: 2

(ii) Chairman of the Purchaser Board shall be nominated by the JV Partner, who shall also be the Purchaser's legal representative.

Matters requiring unanimous consent from PRC Subsidiary and JV Partner:

The following matters must be approved by unanimous consent of the PRC Subsidiary and the JV Partner at shareholders' meeting:

(i) appointment and removal of directors and supervisor;

(ii) approval of director's report;

(iii) approval of supervisor's report;

(iv) approval of any profit sharing arrangement or arrangement regarding indemnity for loss;

(v) increase or reduction of the Purchaser Group's registered capital;

(vi) issue of bonds;

(vii) merger, consolidation, dissolution, liquidation or change of legal nature of the Purchaser;

(viii) amendment of the Purchaser's articles;

(ix) establishment of any branch office, subsidiary, or entity, or making any other investment; and

(x) conducting any related party transaction with any shareholder or shareholder's related party (save for the acquisition of the Property and the Renovation Consultancy Agreement to be signed between the Purchaser, Tishman Consultancy and Tishman Advisory.

Voting at shareholders' meeting:

(i) Since the Vendor is related to the PRC Subsidiary, any shareholders' resolutions relating to the Purchaser's acquisition of the Properties shall be made solely by the JV Partner, whereupon the JV Partner's attendance shall constitute sufficient quorum of such meeting. The PRC Subsidiary, however, shall be entitled to attend such meeting and express its opinion thereat.

(ii) Save for matters requiring shareholders' unanimous consent, and matters relating to the Purchaser's acquisition of the Properties, all shareholders' resolutions shall be passed by more than 2/3 of the votes cast by shareholders attending and entitling to vote at such meeting.

Matters requiring unanimous consent of the Purchaser Board:

The following matters require unanimous approval of the Purchaser Board:

(i) formulation of any plans relating to the Purchaser's profit and loss sharing;

(ii) formulation of any plans relating to the increase or reduction of the Purchaser's registered capital;

(iii) formulation of any plans relating to the issue of bonds by the Purchaser;

(iv) formulation of any plans relating to the merger, segregation, termination, liquidation, dissolution of the Purchaser, or any alteration of the Purchaser's structure;

(v) decisions relating to the Purchaser's system of management;

(vi) engagement of non-big-5 valuers;

(vii) engagement of non-big-4 auditors;

(viii) drawing, application and repayment of the Purchaser's surplus cash;

(ix) any fundraising arrangement;

(x) provision of the Purchaser's assets or provision of guarantee by the Purchaser to any shareholder or any third party;

(xi) any acquisition by the Purchaser (save for acquisition of the Properties) or sale of any interests in the Properties;

(xii) any adjustment to the Properties' renovation budget that has exceeded 3% thereof;

(xiii) the Purchaser's annual business plan and budget, and any adjustment that exceeds 3% thereof;

(xiv) any amendment to or termination of the Renovation Consultancy Agreement, Technical Support Services Agreement and the New Hotel Management Agreement (save in accordance with the terms thereof).

Voting at Purchaser Board meeting:

(i) Since the Vendor is related to the PRC Subsidiary, any board resolutions relating to the Purchaser's acquisition of the Properties shall be made solely by the directors nominated by the JV Partner, whereupon such directors' attendance shall constitute sufficient quorum of such meeting. Director nominated by the PRC Subsidiary, however, shall be entitled to attend such meeting and express his opinion thereat.

(ii) Save for the above, each director at the Purchaser board meeting shall have one vote.

Renovation and post-renovation matters:

(i) Subject to the investor consent from the JV Partner, on the basis of the same terms being offered, the Purchaser shall give priority to engaging the PRC Subsidiary's related party as the head constructor.

(ii) Upon completion of the Properties' renovation, Tishman Consultancy and Tishman Advisory (i.e., parties to the Renovation Consultancy Agreement) shall be responsible for supervising and monitoring the New Hotel Manager's performance. In this regard, Tishman Consultancy and Tishman Advisory shall be entitled to an annual payment of RMB1,300,000 (equivalent to approximately HK$1,418,000), which shall be payable from the Purchaser's surplus cash.

Lock-up:

Neither the PRC Subsidiary or the JV Partner can transfer the equity interests to any non-related party during the period commencing from the date of the Shareholders' Agreement and ending on the 1st anniversary of completion of the Properties' renovation (the "**Lock-up Period**").

Rights of first offer:	Upon expiry of the Lock-up Period, a selling shareholder shall notify the other shareholder its intention to sell all of its equity interests in the Purchaser. The non-selling shareholder shall be entitled make an offer to purchase such interest by proposing the relevant consideration and payment terms. In the event the selling shareholder has not accepted such offer, it shall not sell its equity interests to any third party at a price that is below 103% of that offered by the non-selling shareholder.
Right of co-sale:	Upon expiry of the Lock-up Period, if the JV Partner proposes to sell all of its interests in the Purchaser to any third party, it shall notify the PRC Subsidiary in relation to the selling price, the proposed transferee and other material terms of the proposed sale. The PRC Subsidiary shall be entitled to exercise its right of co-sale such that the transferee shall acquire the PRC Subsidiary's equity interests in the Purchaser on the same terms as the JV Partner.
Drag-along rights:	Upon expiry of the Lock-up Period, if the JV Partner proposes to sell all of its interests in the Purchaser to any third party, it shall be entitled to request the PRC Subsidiary to sell its equity interests in the Purchaser to the proposed transferee at the same terms as the JV Partner, provided the sale price shall be not less than all contributions made by the PRC Subsidiary. Such sale shall be completed within 3 months (or such other date as may be agreed by the JV Partner and the PRC Subsidiary).
Market sale:	Upon expiry of the Lock-up Period, if the JV Partner would like to offer the entire equity interests of the Purchaser (including both of its and the PRC Subsidiary's interests) for sale to any third party, it shall first approach and enquire whether the PRC Subsidiary would be interested in making such purchase. In the event the PRC Subsidiary has expressed its interest and has offered its price of purchase but is rejected by the JV Partner, the ultimate sale procured by the JV Partner shall not be conducted at a sale price that is lower than that offered by the PRC Subsidiary.

Sharing of profit:	(i) PRC Subsidiary 25% (ii) JV Partner 75%
Deadlock:	The PRC Subsidiary and the JV Partner shall use their best efforts to negotiate when deadlock occurs. In the event a consensus cannot be reached, the PRC Subsidiary and the JV Partner shall liquidate the Purchaser in accordance with the terms of the Shareholders' Agreement.
Default	In respect of contribution:

(i) In the event any party to the Shareholders' Agreement fails to pay the required contribution, the party that has paid the required contribution shall be entitled to:

(a) require the default party to pay to the compliant party an amount equivalent to 0.03% per day of the outstanding contribution as compensation;

(b) the compliant party may advance the outstanding contribution, whereupon the default party shall pay an amount equivalent to 0.03% per day of the outstanding contribution as finance fee;

(c) where the compliant party has advanced the outstanding contribution, the compliant party shall be entitled to adjust the shareholding of the Purchaser in accordance with the following formula:

S = (A/T) x 100%

whereupon:

S means the adjusted percentage of compliant party's shareholding

A means the aggregate amount of contribution made by the compliant party (including the outstanding contribution advance by it)

T means the total amount of contribution made by the shareholders of the Purchaser

Shareholders of the Purchaser shall further negotiate the provisions regarding shareholders and board meetings including any voting restrictions after adjustment of shareholding and enter into a supplemental shareholders' agreement.

(d) in the event the non-payment of contribution by the default party shall have caused any material adverse effect on the Purchaser's business, assets or operations, and where the compliant party does not choose to adjust the shareholding of the Purchaser, the compliant party may terminate the Shareholders' Agreement.

(ii) The default party shall indemnify the Purchaser from all loss arising from the default party's non-payment of contribution (including but not limited to the loss incurred in relation to the Purchaser's failure to pay the Disposal Consideration under the Disposal Agreement). Where the default party is the PRC Subsidiary, whose non-payment of contribution renders the Purchaser's default in payment under the Disposal Agreement, the PRC Subsidiary shall bear all liability thereunder, and shall indemnify the Purchaser and the JV Partner.

Termination:

(i) The Shareholders' Agreement shall terminate:

(a) upon consent from both the PRC Subsidiary and the JV Partner;

(b) upon expiry of the Purchaser's term of operation;

(c) the Purchaser has become wholly owned by one party;

(d) the transactions contemplated under the Shareholders' Agreement not having been approved by the Shareholders or the Stock Exchange;

(e) if consensus cannot be reached after deadlock; or

(f) upon liquidation or dissolution of the Purchaser.

(ii) The PRC Subsidiary or the JV Partner shall be entitled to terminate the Shareholder's Agreement if:

(a) there being material breach of the Shareholders' Agreement by the other party;

(b) the other party fails to perform any documents referred to in the Shareholders' Agreement and such non-performance has material adverse effect on the Purchaser;

(c) there being a breach of the contribution obligations by the other party as set out in the section headed ''Default'' above;

(d) there being events leading to liquidation, winding up or dissolution of the Purchaser;

(e) there being events leading to liquidation, winding up or dissolution of the other party;

(f) the Purchaser has failed to acquire the Properties;

(g) there being force majeure events leading to material adverse effect on the Purchaser; or

(h) the change of law or regulations rendering it legal or commercially unreasonable for any party to continue investing in the Purchaser.

(iii) Upon termination of the Shareholders' Agreement as set out above, the Purchaser shall, in accordance with the unanimous resolutions of the shareholders' meeting, proceed with voluntary liquidation.

(iv) If the Disposal Agreement is terminated due to reasons relating to the Vendor (including non-fulfilment of the Disposal Conditions), the JV Partner shall be entitled to terminate the Shareholders' Agreement and proceed with liquidation of the Purchaser. In such event:

(a) the PRC Subsidiary and the JV Partner shall bear all costs incurred by the Purchaser in proportion to their shareholding interest (including those relating to the Disposal, the Renovation Consultancy Agreement, the Technical Support Services Agreement and the New Hotel Management Agreement). Where at the time of termination the PRC Subsidiary has not yet fully paid up the Purchaser's registered capital, it shall still be liable to pay up such capital in order to share the costs as set out above. In addition, it shall reimburse the JV Partner if the latter has incurred any such costs on behalf of the Purchaser; and

(b) the PRC Subsidiary shall pay the JV Partner RMB25,200,000 (equivalent to approximately HK$27,493,000) as compensation.

Costs:

(i) The Purchaser shall bear the costs of negotiating and drafting of the Shareholders' Agreement, the Purchaser's Articles, the Renovation Consultancy Agreement, the Technical Support Services Agreement and the New Hotel Management Agreement.

(ii) In the event the Disposal is not completed:

(a) the PRC Subsidiary and the JV Partner shall bear the costs in proportion to their shareholding in the Purchaser as regards:

— the Disposal;

— the Technical Support Services Agreement;

— the New Hotel Management Agreement; and

— the Purchaser's subsequent dissolution, liquidation and deregistration.

(b) the PRC Subsidiary and the JV Partner shall bear their own respective costs as regards the negotiations and signing of:

— the Shareholders' Agreement;

— the Purchaser's Articles; and

— the Renovation Consultancy Agreement.

The Directors considers the terms of the Shareholders' Agreement (including the PRC Subsidiary Contribution) are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

F. THE PURCHASER'S ARTICLES

Date

28 December 2023 (after trading hours)

Parties

(i) The PRC Subsidiary; and

(ii) the JV Partner.

Principal terms of the Purchaser's Articles

Shareholding structure upon completion of 25% Acquisition Agreement and 75% Acquisition Agreement:

(i) PRC Subsidiary 25%

(ii) JV Partner 75%

Purpose:

For the acquisition, renovation, ownership and operation of the Properties

Business of the Purchaser:

hotel management, housing rental, leasing services (not including licensed leasing services), parking services, food and beverage management, information consultancy services (not including licensed information consultancy services), housekeeping services, laundry services, fitness and leisure activities, professional cleaning, cleaning and disinfection services, as well as marketing.

Term of operation:

30 years

Amount of investment:

(i) For the purpose of acquiring, renovating and operating the Properties by the Purchaser, the PRC Subsidiary and the JV Partner shall make contribution in the amount of RMB256,000,000 (equivalent to approximately HK$279,296,000) to the Purchaser, of which:

(a) the PRC Subsidiary shall contribute RMB64,000,000 (equivalent to approximately HK$69,824,000, being the PRC Subsidiary Contribution), of which RMB43,117,500 (equivalent to approximately HK$47,041,000) shall be made in the form of registered capital, and the remaining as shareholder's loan; the amount of the PRC Subsidiary Contribution was arrived at after arm's length negotiations between the JV Partner and the PRC Subsidiary with reference to the Disposal, the renovation and future operation of the Properties; and

(b) JV Partner shall contribute RMB192,000,000 (equivalent to approximately HK$209,472,000), of which RMB129,352,500 (equivalent to approximately HK$141,124,000) shall be made in the form of registered capital and the remaining as shareholder's loan.

(ii) The general manager of the Purchaser (who shall be appointed by the JV Partner) shall, based on the payment schedule of the Disposal Agreement and progress of the related renovation, notify the PRC Subsidiary and the JV Partner the amount, timing, and means of contribution, whereupon the PRC Subsidiary and the JV Partner shall ensure contribution be made at least 7 business days (or such other date as may be agreed by the PRC Subsidiary and the JV Partner) prior to the payment deadline under the Disposal Agreement or other documents.

(iii) Subject to below, the PRC Subsidiary and the JV Partner shall make their respective contribution in accordance with their shareholding in the Purchaser:

(a) payment of the 1st Instalment under the Disposal Agreement shall be made by the Purchaser by applying the contribution made by the JV Partner to the Purchaser;

(b) provided the JV Partner shall have made the Initial Contribution, the PRC Subsidiary shall make the relevant contribution to the Purchaser after release of the 1st Instalment such that the shareholding of the PRC Subsidiary and the JV Partner shall maintain at the ratio of 25:75; and

(c) in the event the PRC Subsidiary has failed to make such contribution, it shall constitute a breach of the Shareholders' Agreement, and provisions regarding default in contribution shall apply (including the obligation to pay the JV Partner compensation and to indemnify the JV Partner all loss in relation thereto).

Registered capital: As at the date of the Shareholders' Agreement, the registered capital of the Purchaser was RMB1,000,000 (equivalent to approximately HK$1,091,000). The PRC Subsidiary and the JV Partner agreed that the registered capital shall be increased to RMB172,470,000 (equivalent to approximately HK$188,165,000), of which:

(i) the PRC Subsidiary shall pay up RMB43,117,500 (equivalent to approximately HK$47,041,000), representing 25% of the registered capital, which shall be paid prior to expiry of the term operation of the Purchaser; and

(ii) the JV Partner shall pay up RMB129,352,500 (equivalent to approximately HK$141,124,000), representing 75% of the registered capital, which shall be paid prior to expiry of the term operation of the Purchaser.

Funding for the acquisition of the Properties and the related renovation: (i) The Purchaser shall fund the acquisition of the Properties and the related renovation by:

(a) the contributions made by the PRC Subsidiary and the JV Partner (in the form of registered capital or shareholders' loan);

(b) bank borrowings or other fund raising.

(ii) In the event the Purchaser is required to provide security to secure any bank borrowings or other fund raising, it shall:

(a) firstly arrange for charge on the Purchaser's assets; and

(b) thereafter, subject to consent from both the PRC Subsidiary and the JV Partner as regards the means of credit, arrange for credit to be provided by the PRC Subsidiary and the JV Partner in proportion to their shareholding as required by the financier.

(iii) In the event the above funding is not sufficient, subject to consent from both the PRC Subsidiary and the JV Partner:

(a) firstly, additional shareholders' loan shall be made to the Purchaser in proportion to their shareholding at such interest and terms as may be agreed by the parties; and

(b) thereafter, subscription of equity interest in the Purchaser shall be made in proportion to the PRC Subsidiary and the JV Partner's shareholding or in such other means as may be agreed by the PRC Subsidiary and the JV Partner.

(iv) In any event, the aggregate amount of bank borrowings and other fund raising shall not exceed 60% of the total costs relating to the acquisition of the Properties and the related renovation.

Renovation Consultancy Agreement, Technical Support Services Agreement and New Hotel Management Agreement:

(i) The JV Partner and the PRC Subsidiary shall procure the Purchaser to sign the Renovation Consultancy Agreement, Technical Support Services Agreement and the New Hotel Management Agreement within 10 business days after signing the Disposal Agreement.

(ii) The JV Partner and the PRC Subsidiary agree that in the event any of them shall transfer their equity interests in the Purchaser to any third party, unless the transferee agrees to continue with the New Hotel Management Agreement, the Purchaser shall terminate the New Hotel Management Agreement pursuant to the early termination provisions of the New Hotel Management Agreement.

Board composition:

(i) The Purchaser Board shall comprise 3 directors, who shall be nominated by the shareholders as follows:

(a) PRC Subsidiary: 1

(b) JV Partner: 2

(ii) Chairman of the Purchaser Board shall be nominated by the JV Partner, who shall also be the Purchaser's legal representative.

Matters requiring unanimous consent from PRC Subsidiary and JV Partner:

The following matters must be approved by unanimous consent of the PRC Subsidiary and the JV Partner at shareholders' meeting:

(i) appointment and removal of directors and supervisor;

(ii) approval of director's report;

(iii) approval of supervisor's report;

(iv) approval of any profit sharing arrangement or arrangement regarding indemnity for loss;

(v) increase or reduction of the Purchaser Group's registered capital;

(vi) issue of bonds;

(vii) merger, consolidation, dissolution, liquidation or change of legal nature of the Purchaser;

(viii) amendment of the Purchaser's articles;

(ix) establishment of any branch office, subsidiary, or entity, or making any other investment; and

(x) conducting any related party transaction with any shareholder or shareholder's related party (save for the acquisition of the Property and the Renovation Consultancy Agreement to be signed between the Purchaser, Tishman Consultancy and Tishman Advisory.

Voting at shareholders' meeting:

(i) Since the Vendor is related to the PRC Subsidiary, any shareholders' resolutions relating to the Purchaser's acquisition of the Properties shall be made solely by the JV Partner, whereupon the JV Partner's attendance shall constitute sufficient quorum of such meeting. The PRC Subsidiary, however, shall be entitled to attend such meeting and express its opinion thereat.

(ii) Save for matters requiring shareholders' unanimous consent, and matters relating to the Purchaser's acquisition of the Properties, all shareholders' resolutions shall be passed by more than 2/3 of the votes cast by shareholders attending and entitling to vote at such meeting.

Matters requiring unanimous consent of the Purchaser Board:

The following matters require unanimous approval of the Purchaser Board:

(i) formulation of any plans relating to the Purchaser's profit and loss sharing;

(ii) formulation of any plans relating to the increase or reduction of the Purchaser's registered capital;

(iii) formulation of any plans relating to the issue of bonds by the Purchaser;

(iv) formulation of any plans relating to the merger, segregation, termination, liquidation, dissolution of the Purchaser, or any alteration of the Purchaser's structure;

(v) decisions relating to the Purchaser's system of management;

(vi) engagement of non-big-5 valuers;

(vii) engagement of non-big-4 auditors;

(viii) drawing, application and repayment of the Purchaser's surplus cash;

(ix) any fundraising arrangement;

(x) provision of the Purchaser's assets or provision of guarantee by the Purchaser to any shareholder or any third party;

(xi) any acquisition by the Purchaser (save for acquisition of the Properties) or sale of any interests in the Properties;

(xii) any adjustment to the Properties' renovation budget that has exceeded 3% thereof;

(xiii) the Purchaser's annual business plan and budget, and any adjustment that exceeds 3% thereof;

(xiv) any amendment to or termination of the Renovation Consultancy Agreement, Technical Support Services Agreement and the New Hotel Management Agreement (save in accordance with the terms thereof).

Voting at Purchaser Board meeting:

(i) Since the Vendor is related to the PRC Subsidiary, any board resolutions relating to the Purchaser's acquisition of the Properties shall be made solely by the directors nominated by the JV Partner, whereupon such directors' attendance shall constitute sufficient quorum of such meeting. Director nominated by the PRC Subsidiary, however, shall be entitled to attend such meeting and express his opinion thereat.

(ii) Save for the above, each director at the Purchaser board meeting shall have one vote.

Renovation and post-renovation matters:	(i) Subject to the investor consent from the JV Partner, on the basis of the same terms being offered, the Purchaser shall give priority to engaging the PRC Subsidiary's related party as the head constructor.
	(ii) Upon completion of the Properties' renovation, Tishman Consultancy and Tishman Advisory (i.e., parties to the Renovation Consultancy Agreement) shall be responsible for supervising and monitoring the New Hotel Manager's performance. In this regard, Tishman Consultancy and Tishman Advisory shall be entitled to an annual payment of RMB1,300,000 (equivalent to approximately HK$1,418,000), which shall be payable from the Purchaser's surplus cash.
Lock-up:	Neither the PRC Subsidiary or the JV Partner can transfer the equity interests to any non-related party during the period commencing from the date of the Shareholders' Agreement and ending on the 1st anniversary of completion of the Properties' renovation.
Rights of first offer:	Upon expiry of the Lock-up Period, a selling shareholder shall notify the other shareholder its intention to sell all of its equity interests in the Purchaser. The non-selling shareholder shall be entitled make an offer to purchase such interest by proposing the relevant consideration and payment terms. In the event the selling shareholder has not accepted such offer, it shall not sell its equity interests to any third party at a price that is below 103% of that offered by the non-selling shareholder.
Sharing of profit:	(i) PRC Subsidiary 25%
	(ii) JV Partner 75%

Deadlock: The PRC Subsidiary and the JV Partner shall use their best efforts to negotiate when deadlock occurs. In the event a consensus cannot be reached, the PRC Subsidiary and the JV Partner shall liquidate the Purchaser in accordance with the terms of the Shareholders' Agreement.

Default In respect of contribution:

(i) In the event any party to the Shareholders' Agreement fails to pay the required contribution, the party that has paid the required contribution shall be entitled to:

(a) require the default party to pay to the compliant party an amount equivalent to 0.03% per day of the outstanding contribution as compensation;

(b) the compliant party may advance the outstanding contribution, whereupon the default party shall pay an amount equivalent to 0.03% per day of the outstanding contribution as finance fee;

(c) where the compliant party has advanced the outstanding contribution, the compliant party shall be entitled to adjust the shareholding of the Purchaser in accordance with the following formula:

S = (A/T) x 100%

whereupon:

S means the adjusted percentage of compliant party's shareholding

A means the aggregate amount of contribution made by the compliant party (including the outstanding contribution advance by it)

T means the total amount of contribution made by the shareholders of the Purchaser

Shareholders of the Purchaser shall further negotiate the provisions regarding shareholders and board meetings including any voting restrictions after adjustment of shareholding and enter into a supplemental shareholders' agreement.

(d) in the event the non-payment of contribution by the default party shall have caused any material adverse effect on the Purchaser's business, assets or operations, and where the compliant party does not choose to adjust the shareholding of the Purchaser, the compliant party may terminate the Shareholders' Agreement.

(ii) The default party shall indemnify the Purchaser from all loss arising from the default party's non-payment of contribution (including but not limited to the loss incurred in relation to the Purchaser's failure to pay the Disposal Consideration under the Disposal Agreement). Where the default party is the PRC Subsidiary, whose non-payment of contribution renders the Purchaser's default in payment under the Disposal Agreement, the PRC Subsidiary shall bear all liability thereunder, and shall indemnify the Purchaser and the JV Partner.

Termination: (i) The Shareholders' Agreement shall terminate:

(a) upon consent from both the PRC Subsidiary and the JV Partner;

(b) upon expiry of the Purchaser's term of operation;

(c) the Purchaser has become wholly owned by one party;

(d) if consensus cannot be reached after deadlock; or

(e) upon liquidation or dissolution of the Purchaser.

(ii) The PRC Subsidiary or the JV Partner shall be entitled to terminate the Shareholder's Agreement if:

(a) there being material breach of the Shareholders' Agreement by the other party;

(b) the other party fails to perform any documents referred to in the Shareholders' Agreement and such non-performance has material adverse effect on the Purchaser;

(c) there being a breach of the contribution obligations by the other party as set out in the section headed "Default" above;

(d) there being events leading to liquidation, winding up or dissolution of the Purchaser;

(e) there being events leading to liquidation, winding up or dissolution of the other party;

(f) the Purchaser has failed to acquire the Properties;

(g) there being force majeure events leading to material adverse effect on the Purchaser; or

(h) the change of law or regulations rendering it legal or commercially unreasonable for any party to continue investing in the Purchaser.

(iii) Upon termination of the Shareholders' Agreement as set out above, the Purchaser shall, in accordance with the unanimous resolutions of the shareholders' meeting, proceed with voluntary liquidation.

(iv) If the Disposal Agreement is terminated due to reasons relating to the Vendor, the JV Partner shall be entitled to terminate the Shareholders' Agreement and proceed with liquidation of the Purchaser. In such event:

(a) the PRC Subsidiary and the JV Partner shall bear all costs incurred by the Purchaser in proportion to their shareholding interest (including those relating to the Disposal, the Renovation Consultancy Agreement, the Technical Support Services Agreement and the New Hotel Management Agreement). Where at the time of termination the PRC Subsidiary has not yet fully paid up the Purchaser's registered capital, it shall still be liable to pay up such capital in order to share the costs as set out above. In addition, it shall reimburse the JV Partner if the latter has incurred any such costs on behalf of the Purchaser; and

(b) the PRC Subsidiary shall pay the JV Partner RMB25,200,000 (equivalent to approximately HK$27,493,000) as compensation.

Costs:

(i) The Purchaser shall bear the costs of negotiating and drafting of the Shareholders' Agreement, the Purchaser's Articles, the Renovation Consultancy Agreement, the Technical Support Services Agreement and the New Hotel Management Agreement.

(ii) In the event the Disposal is not completed:

(a) the PRC Subsidiary and the JV Partner shall bear the costs in proportion to their shareholding in the Purchaser as regards:

— the Disposal;

— the Technical Support Services Agreement;

— the New Hotel Management Agreement; and

— the Purchaser's subsequent dissolution, liquidation and deregistration.

(b) the PRC Subsidiary and the JV Partner shall bear their own respective costs as regards the negotiations and signing of:

— the Shareholders' Agreement;

— the Purchaser's Articles; and

— the Renovation Consultancy Agreement.

The Directors considers the terms of the Purchaser' Articles (including the PRC Subsidiary Contribution) are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

G. THE DISPOSAL AGREEMENT

Date:

10 January 2024

Parties

(i)	Vendor:	the Vendor, being Loyal Rich International Investment Limited
(ii)	Purchaser:	the Purchaser, being Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司)

Assets to be disposed of

The assets to be disposed of are the Properties located at Nos. 1729 and 1737 Huangxing Road, Yangpu District, Shanghai, the PRC, comprising:

(i)	the Hotel:	a 20-storey hotel with a gross floor area of approximately 15,949.09 sq. m., located in Levels 1–20. The Hotel has been vacant and closed since 8 January 2023; and

(ii) the Carpark: a 2-storey carpark with a gross floor area of 18,329.46 sq. m., located in B2 & B3.

The renovation and maintenance contribution in the amount of RMB4,652,625 (equivalent to approximately HK$5,076,000, calculated as at 14 June 2023) made by the Group to the Property Manager as regards the Properties shall also be assigned such that the Purchaser shall be deemed to have made the same amount of contribution to the Property Manager upon Completion. Any interest accruing to such amount and as from 14 June 2023 shall be payable to the Purchaser.

Earnest Money

Pursuant to the terms of the LOI, Tishman Consultancy had paid to the PRC Subsidiary the Earnest Money (being RMB5,000,000 (equivalent to approximately HK$5,455,000)).

Pursuant to the terms of the LOI and the Disposal Agreement, the Earnest Money shall be refunded to Tishman Consultancy unconditionally and without interest within five business days after the signing of the Disposal Agreement.

Disposal Custodian Account

(i) The Vendor, the Purchaser and the Disposal Custodian Bank shall enter into the Disposal Custodian Agreement pursuant to which the Disposal Custodian Account is to be opened under the name of the Purchaser which shall be operated jointly by the Vendor and the Purchaser for the purpose of holding the 1st Instalment. All interest accrued in the Disposal Custodian Account shall be paid to the Vendor.

(ii) In the event the amount in the Disposal Custodian Account has been frozen or encumbered by any governmental authority or any other third parties:

(a) due to reasons relating to the Purchaser, the Purchaser shall not be absolved from its obligation to pay, and shall still be liable for the relevant payment obligations under the Disposal Agreement; and

(b) due to reasons relating to the Vendor, the Purchaser shall be deemed to have satisfied its relevant payment obligations under the Disposal Agreement.

Disposal Consideration

The Disposal Consideration (being RMB360,000,000 (equivalent to approximately HK$392,760,000)) shall be payable in cash as follows:

	Amount of Disposal Consideration	Payment terms	Release from Disposal Custodian Account to the Vendor
(i)	1st Instalment: RMB108,000,000 (equivalent to approximately HK$117,828,000), representing 30% of the Disposal Consideration	payable within 10 business days after the date of the Disposal Agreement by the Purchaser depositing such amount into the Disposal Custodian Account	Subject to all Disposal Conditions having been fulfilled or waived (as applicable), the 1st Instalment shall be released on the date when the relevant PRC registration authority has accepted the submission of the Title Transfer Application.
(ii)	2nd Instalment: RMB65,600,000 (equivalent to approximately HK$71,570,000), representing 18.22% of the Disposal Consideration	payable to the bank account designated by the Vendor within 7 business days after release of the 1st Instalment to the bank account designated by the Vendor	Not applicable.
(iii)	3rd Instalment: RMB168,400,000 (equivalent to approximately HK$183,724,000), representing 46.78% of the Disposal Consideration	payable to the bank account designated by the Vendor within 5 business days after: (i) fulfilment (or waiver, as the case may be) of the Disposal Conditions; (ii) the Purchaser having obtained the new real estate ownership certificate (《不動產權證書》) in respect of the Properties; and (iii) the lending entity to the Purchaser having been registered as first chargee of the Property.	Not applicable.

	Amount of Disposal Consideration	Payment terms	Release from Disposal Custodian Account to the Vendor
(iv)	RMB18,000,000 (equivalent to approximately HK$19,638,000), representing 5% of the Disposal Consideration	payable to the bank account designated by the Vendor on the first business day after the expiry of three months from the date of Completion.	Not applicable.

The Disposal Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the unaudited carrying value of the Properties of approximately RMB337,000,000 (equivalent to approximately HK$363,746,000) as at 30 September 2023; and (ii) the valuation of the Properties. As set out in the valuation report of the Properties prepared by Collier Appraisal & Advisory Services Co., Ltd. (being a firm of professional valuers which is an Independent Third Party) as detailed in appendix II to this circular, the valuation of the Properties as at 22 December 2023 amounted to approximately RMB337,000,000 (equivalent to approximately HK$363,746,000), using income (with the discounted cash flow method as primary method) and market approach.

The Company understands both income and market approach have been used and (i) income approach is universally considered as the most accepted valuation approach for valuing most forms of on-going operational hotel properties and (ii) the valuer has made cross-reference to three selected sale comparable transactions available in the market. It considers that the Disposal Consideration with aboveground floor area of 15,949 sq.m., and with the unit price per sq.m. above ground of approximately RMB21,100 is in line with and within the range of market prices in the referenced transactions. The Directors have reviewed the valuation report, as well as the methodology, basis and assumptions of the valuation contained therein. The Directors considered the valuation report, as well as the methodology, basis and assumptions of the valuation contained therein are in line with market practices. The Directors are therefore of the view that they are fair and reasonable.

The Disposal Consideration represents a premium of approximately 8% over the carrying amount of the Properties as at 30 September 2023 and the Disposal can generate immediate cash inflow to the Group for repayment of its other borrowings when they fall due. Based on the above, the Directors are of the view that the Disposal Consideration is fair and reasonable.

The New Property Management Agreement, Property Transfer Agreement, Title Transfer Application and Completion

(i) As one of the Disposal Conditions, the Purchaser and the Property Manager shall enter into the New Property Management Agreement in relation property management of certain area of the Properties. As at the Latest Practicable Date, the New Property Management Agreement had been signed.

(ii) Within five business days after all Disposal Conditions have been fulfilled or waived (as the case may be), the Vendor and the Purchaser shall sign the Property Transfer Agreement. In the event the relevant governmental authority requires separate Property Transfer Agreements be signed in relation to the Hotel and the Carpark, the consideration for the relevant transfer shall be designated as follows:

(a) Hotel: RMB306,350,000 (equivalent to approximately HK$334,228,000), which has included the value added tax of RMB3,159,500 (equivalent to approximately HK$3,447,000); and

(b) Carpark: RMB53,650,000 (equivalent to approximately HK$58,532,000), which has included the value added tax of RMB792,800 (equivalent to approximately HK$865,000).

(iii) Thereafter, subject to payment of all necessary taxes and duties payable by the Vendor, the Vendor and the Purchaser shall submit the Title Transfer Application to the relevant registration authority within 3 business days thereafter.

(iv) Completion shall take place on the date when the Purchaser has obtained the Properties' real estate ownership certificate (《不動產權證書》) issued in its name (or on the business day thereafter). The Properties shall be delivered to the Purchaser on an ''as-is'' basis on Completion.

After Completion, the Group shall cease to hold any direct interests in the Properties, and they will not be accounted for as the Group's assets. However, the Purchaser will be accounted for as the Group's investment in associate.

Disposal Conditions

Signing of the Property Transfer Agreement is conditional upon the following Disposal Conditions having been fulfilled or waived (as the case may be):

(1) the Vendor having obtained all approvals and authorisations in relation to the signing, delivery and performance of the Disposal Agreement (including approvals from the shareholders and directors of the Vendor);

(2) (i) the Company having obtained approval from its Shareholders at the GM; (ii) all necessary approvals from the Stock Exchange; and (iii) the Company having complied with all requirements of the Listing Rules (including publication of an announcement), all in relation to the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder;

(3) termination of the Hotel Management Documents, and the waiver by the Hotel Manager of its right of first refusal in connection with the transactions contemplated under the Disposal Agreement having been obtained;

(4) termination of all existing leases of the Properties (including the Tenancy Agreement), and the waiver by the PRC Subsidiary of its right of first refusal in connection with the transactions contemplated under the Disposal Agreement having been obtained;

(5) termination of the Property Management Agreement;

(6) the New Property Management Agreement having been signed;

(7) the clearing out of all tenants, occupiers, customers and employees in the Properties;

(8) all licences in relation to the Properties that are registered under the name of the Vendor or its associates having been de-registered and there being no other third party registering the Properties as its registered address or business address, except for the Public Health License (《公共衛生許可證》) and Public Parking Lot (Garage) Registration Certificate (《公共停車場(庫)備案證明》); and

(9) the Properties having been free of encumbrances, and the Vendor is not using the Properties as any form of security.

Disposal Conditions (1) and (2) cannot be waived. All other Disposal Conditions can be waived by the Purchaser in writing. As at the Latest Practicable Date, Disposal Condition (6) had been fulfilled.

Consequences to non-fulfilment of Disposal Conditions

In the event all Disposal Conditions cannot be satisfied within 90 days after the date of the Disposal Agreement, it shall be deemed as Vendor's material breach of the Disposal Agreement. The Purchaser shall be entitled to terminate the Disposal Agreement, and the Vendor shall pay an amount equivalent to 10% of the Disposal Consideration as damages. All Disposal Consideration paid by the Purchaser shall be refunded.

Material breach

(1) Material breach by the Purchaser

(i) In the event the Purchaser fails to pay the Disposal Consideration in accordance with the payment schedule referred to above, the Purchaser shall pay an amount equivalent to 0.03% per day to the Vendor; and

(ii) In the event of Purchaser's other material breaches, the Vendor shall be entitled to terminate the Disposal Agreement and the Purchaser shall pay an amount equivalent to 10% of the Disposal Consideration as damages. All Disposal Consideration paid by the Purchaser shall be refunded. Such other material breaches refer to:

(a) the Purchaser having failed to sign the Property Transfer Agreement;

(b) the Purchaser having failed to pay the Disposal Consideration; or

(c) the Purchaser having terminated the Disposal Agreement without cause.

(2) Material breach by the Vendor

(i) In the event the Vendor failed to deliver the Properties and other information and documents in accordance with the Disposal Agreement, the Vendor shall pay an amount equivalent to 0.03% per day to the Purchaser; and

(ii) In the event of the Vendor's other material breaches, the Purchaser shall be entitled to terminate the Disposal Agreement and the Vendor shall, within 10 business days thereof: (a) pay an amount equivalent to 10% of the Disposal Consideration as damages; (b) refund all Disposal Consideration paid by the Purchaser; and (c) co-operate with the Purchaser to release the custodian under the Disposal Custodian Agreement. Otherwise the Vendor shall be liable to pay an amount equivalent to 0.03% of the refund amount to the Purchaser.

(iii) The other material breaches mentioned in sub-paragraph (ii) above refer to:

(a) the Vendor having failed to sign the Property Transfer Agreement;

(b) the Vendor having failed to deliver the Properties and other information and documents in accordance with the Disposal Agreement;

(c) there being material adverse change to the Properties due to reasons of the Vendor;

(d) in the event all Disposal Conditions cannot be satisfied within 90 days after the date of the Disposal Agreement (i.e. the situation as set out in item (ii) of the sub-paragraph headed "Consequences of non-fulfilment of Disposal Conditions" of the paragraph headed "Disposal Conditions" in the section headed "The Disposal Agreement" above);

(e) the Properties fail to be registered under the name of the Purchaser due to the fault of the Vendor; or

(f) the Vendor having terminated the Disposal Agreement without cause.

H. THE DISPOSAL CUSTODIAN AGREEMENT

Date:

10 January 2024

Parties

(i) The Vendor;

(ii) the Purchaser; and

(iii) the Disposal Custodian Bank.

Principal terms

Custodian amount: RMB108,000,000 (equivalent to approximately HK$117,828,000), i.e., the 1st Instalment.

Term:

(i) The custodian obligations arise from the date when the 1st Instalment has been deposited with the Disposal Custodian Account until such amount has been fully released in accordance with the terms of the Disposal Custodian Agreement.

(ii) The Disposal Custodian Agreement shall terminate automatically after release of all custodian amount.

Disposal Custodian Account:

(i) The Disposal Custodian Account shall be opened by the Purchaser with the Disposal Custodian Bank.

(ii) The Disposal Custodian Account shall be jointly operated by the Vendor and the Purchaser.

(iii) All drawings, transfers and other operations of the Disposal Custodian Account shall be made in accordance with the joint instructions from the Vendor and the Purchaser.

(iv) Any interest accrued in the Disposal Custodian Account shall be paid to the Vendor.

(v) The Disposal Custodian Account shall be closed and cancelled upon termination of the custodian obligations under the Disposal Custodian Account.

Release of the custodian amount:

As regards payment of tax

(i) Within 2 business days after the relevant government authority has issued tax notification as regards the tax payable by the Vendor or as regards the tax payable by the Purchaser on the Vendor's behalf under the Disposal, the Vendor and the Purchaser shall provide joint instructions to the Disposal Custodian Bank to release such amount for such tax payment.

(ii) The Disposal Custodian Bank shall transfer such amount to the account of the relevant government authority set out in the joint instructions within 1 business day after receipt of the joint instructions.

As regards release of the 1st Instalment

(i) The Vendor and the Purchaser shall provide joint instructions to the Disposal Custodian Bank in accordance with the Disposal Agreement (i.e., on the day when the relevant PRC registration authority has accepted the submission of the Title Transfer Application, whereupon all Disposal Conditions shall have been fulfilled (or waived, as the case may be)) as regards release of the 1st Instalment.

(ii) The Disposal Custodian Bank shall transfer the 1st Instalment to the designated account(s) of the Vendor within 1 business day after receipt of such joint instructions — whereupon according to the Master Agreement, an amount equivalent to the PRC Subsidiary Contribution (i.e., RMB64,000,000 (equivalent to approximately HK$69,824,000)) shall be directed to be transferred to the Acquisition Custodian Account, of which RMB60,000,000 (equivalent to approximately HK$65,460,000) shall be further transferred from the Acquisition Custodian Account to the Purchaser's account in order to fulfill the PRC Subsidiary's contribution obligations under the Shareholders' Agreement.

As regards any other transfer

(i) In the event the Disposal Agreement is terminated or in circumstances other than the above which calls for release of the custodian amount, the Vendor and the Purchaser shall provide joint instructions to the Disposal Custodian Bank regarding such release.

(ii) The Disposal Custodian Bank shall transfer such amount to the account set out in the joint instructions within 1 business day after receipt of such joint instructions.

Custodian fee: No custodian fee shall be chargeable by the Disposal Custodian Bank. However, the Purchaser shall be responsible for all payment of transfer and other administrative fees payable in relation to the Acquisition Custodian Account.

I. THE RENOVATION CONSULTANCY AGREEMENT

Parties

(i) The Purchaser, being Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司);

(ii) Tishman Consultancy, being Tishman (Shanghai) Management Co., Ltd. (鐵獅門(上海)管理有限公司); and

(iii) Tishman Advisory, being Tishman Speyer China Manger, L.L.C..

According to Shanghai Shixuan, Tishman Consultancy and Tishman Advisory are both subsidiaries of Tishman Speyer Group, which is ultimately controlled by Jerry I. Speyer and Robert J. Speyer. According to Shanghai Shixuan, (i) Tishman Consultancy is principally engaged in corporate management advisory, real estate advisory, information advisory, economic advisory, provision of convention and exhibition services, as well as marketing planning; and (ii) Tishman Advisory is principally engaged in corporate and advisory services. According to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Tishman Consultancy, Tishman Advisory and their ultimate beneficial owners are Independent Third Parties.

Principal terms of the Renovation Consultancy Agreement

Purpose: The Purchaser shall engage Tishman Consultancy and Tishman Advisory (the "**Consultants**") as consultants to provide consultancy and project management services regarding renovation, design, decoration and outfitting etc. of the Properties.

Services to be provided:

(i) To formulate renovation plan and related budget; and

(ii) to co-ordinate, supervise and manage the relevant design, procurement, and installation.

Fees and other payables:

(i) Consultancy fee:

(a) the consultancy fee is calculated at a percentage of the renovation costs;

(b) it shall be pre-paid on a monthly basis after completion of the Purchaser's acquisition of the Properties;

(c) the monthly amount payable shall be based on the amount of consultancy fee set out in the renovation budget; and

(d) the ultimate total amount of consultancy fees payable shall be determined after renovation completion, whereupon any shortfall or excess shall be payable or refunded after all actual amount payable to service providers, suppliers and contractors have been taken into account.

(ii) Reimbursable costs and expenses:

(a) these refer to costs and expenses incurred by the Consultants, its related parties or such other service providers appointed by the Consultants, such as travelling expenses, food and beverage expenses, labour costs etc.;

(b) the total amount of reimbursable costs and expenses shall not exceed RMB7,700,000 (equivalent to approximately HK$8,401,000, including value added tax); and

(c) the reimbursable costs and expenses shall be payable monthly based on invoices provided by the Consultants.

(iii) Post-completion supervision fee:

(a) upon completion of the renovation, the Consultants shall be responsible for supervising and monitoring the Properties, including the New Hotel Manager's performance; and

(b) in this regard, the Consultants shall be entitled to an annual payment of RMB1,300,000 (equivalent to approximately HK$1,418,000, including value added tax), which shall be payable on a monthly basis after renovation completion.

Termination:

(i) The Renovation Consultancy Agreement shall terminate upon payment in full of all fees payable thereunder.

(ii) The Purchaser shall be entitled to terminate the Renovation Consultancy Agreement if:

(a) Tishman Consultancy having defaulted in material respects in its performance of the Renovation Consultancy Agreement causing material adverse effect on the Purchaser; or

(b) Tishman Consultancy becoming unable to pay its debts, or being subject to liquidation, provisional liquidation, winding up or dissolution proceedings.

(iii) Tishman Consultancy shall be entitled to terminate the Renovation Consultancy Agreement if:

(a) the Purchaser having committed a material breach of the Renovation Consultancy Agreement; or

(b) the Purchaser becoming unable to pay its debts, or being subject to liquidation, provisional liquidation, winding up or dissolution proceedings.

(iv) If the Consultants shall no longer be controlled by Tishman Speyer Properties L.P., or the Properties or the Purchaser's entire equity interests shall have been disposed of to third party not controlled by Tishman Speyer Properties L.P., the Purchaser or the Consultants shall be entitled to terminate the Renovation Consultancy Agreement.

(v) If the Purchaser fails to complete the acquisition of Properties for any reason, the Renovation Consultancy Agreement shall automatically terminate. In such event, the Purchaser shall not be liable to the Consultants for any compensation or damages, but shall pay the Consultants all consultancy fee and reimbursable costs and expenses incurred for the services provided up to termination.

J. THE TECHNICAL SUPPORT SERVICES AGREEMENT

Parties

(i) The Purchaser, being Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司);

(ii) the New Hotel Manager, being Shanghai Xing Feng Hotel Management Co., Ltd.* (上海星豐酒店管理有限公司).

According to Shanghai Shixuan, the New Hotel Manager is wholly-owned by Frasers Hospitality PTE Ltd. and is principally engaged in hotel management, property management, business advisory, information technology advisory and corporate management advisory. According to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the New Hotel Manager and its ultimate beneficial owners are Independent Third Parties.

Principal terms of the Technical Support Services Agreement

Purpose: The New Hotel Manager shall provide the Purchaser technical support services relating to the Hotel until its opening as serviced apartments, which shall be named as "Modena by Fraser".

Term: The Technical Support Services Agreement shall terminate on the opening date of the Hotel as serviced apartments (unless terminated earlier in accordance with the provisions of the Technical Support Services Agreement). The term of the Technical Support Services Agreement may be extended by written consent of both parties.

Services to be provided: In order to enable the Purchaser to carry out the relevant works of design, renovation and outfitting of the Hotel as serviced apartments in accordance with the decoration standards and specifications relating to the brand "Modena by Fraser", the New Hotel Manager shall provide the following technical services:

(i) site assessment;

(ii) design and development;

(iii) detailed design;

(iv) site inspection to ensure the project be carried out in compliance with renovation standards and specifications, whereupon it will jointly approve any modifications required together with the Purchaser; and

(v) pre-opening handover.

Technical Services Fee: The Purchaser shall pay the New Hotel Manager consultancy fee calculated on a-fixed-amount-per-apartment-unit basis in the following manner:

(i) as to 40% of the fees: payable before the 25th day of the month following the date of the Purchaser having obtained the real estate ownership certificate in its name;

(ii) as to 30% of the fees: payable within 30 days of the date on which both parties confirm the design plan or within 12 months of the date of the Technical Support Services Agreement (whichever is earlier); and

(iii) as to the remaining 30% of the fees: payable within 30 days of the Hotel's trial opening date.

Event of default: The following shall constitute an event of default if:

(i) either the Purchaser or the New Hotel Manager has breached the Technical Support Services Agreement causing material loss to the non-default party;

(ii) the Purchaser fails to pay the New Hotel Manager any amount due under the Technical Support Services Agreement;

(iii) either the Purchaser or the New Hotel Manager unilaterally terminates the Technical Support Services Agreement without reason in breach of the terms thereof;

(iv) either the Purchaser or the New Hotel Manager is subject to bankruptcy, winding up, liquidation, dissolution or judicial administration proceedings or any such order is made against such party; or

(v) there being any order made as regards all or substantial assets of the Purchaser or the New Hotel Manager relating to the appointment of receiver, trustee or liquidator.

Termination:

(i) The Purchaser or the New Hotel Manager shall be entitled to terminate the Technical Support Services Agreement if there being an event of default.

(ii) If the Technical Support Services Agreement is terminated prior to its term, the Purchaser shall pay the New Hotel Manager within 30 days from the date of termination all fees payable thereunder prior to the termination.

(iii) If the Purchaser fails to complete the acquisition of Properties for any reason, the Technical Support Services Agreement shall automatically terminate. In such event, the Purchaser shall not be liable to the New Hotel Manager for any compensation or damages, but shall pay the New Hotel Manager all technical services fees incurred for the services provided up to termination.

K. THE NEW HOTEL MANAGEMENT AGREEMENT

Parties

(i) The Purchaser;

(ii) the New Hotel Manager, being Shanghai Xing Feng Hotel Management Co., Ltd.* (上海星豐酒店管理有限公司).

Principal terms of the New Hotel Management Agreement

Management term:

(i) The New Hotel Manager shall manage the Hotel from the date of its trial opening (tentatively to be 1 April 2025) until the expiry of 10 years from its opening date (which should not exceed 3 months from the trial opening date) or the date of early termination of the New Hotel Management Agreement (whichever is earlier) (the "**Management Period**").

(ii) The Purchaser and the New Hotel Manager shall determine whether to renew the Management Period 12 months before its expiry.

	(iii) If consensus for renewal has been reached, the New Hotel Management Agreement shall be renewed for a term of five (5) years.
	(iv) If either party decides not to renew the Management Period, it shall notify in writing of such decision at least 12 months before expiry of the Management Period.
Term of the New Hotel Management Agreement:	Unless being early terminated in accordance with the New Hotel Management Agreement, the New Hotel Management Agreement shall terminate upon expiry of the Management Period. In the case of an extension, it shall end upon expiry of the extension.
Exclusivity:	The New Hotel Manager shall be appointed as the sole manager of the Hotel (operating as serviced apartments).
Branding:	The Hotel shall be operated under the name ''Modena by Fraser''.
Non-competition:	During the term of the New Hotel Management Agreement, the New Hotel Manager shall not operate any business that belongs to the same ''Modena by Fraser'' brand as serviced apartments, or that is under the same operation model, decoration standards and specifications, as well as same business format within an agreed distance of the Hotel.
Services to be provided by the New Hotel Manager:	(i) To prepare for trial opening of the Hotel, including employee structure, budgeting, recruitment and training, marketing, third party contracts etc.;
	(ii) to provide serviced apartments management services including human resources, management of inventories, Hotel repair and maintenance, budgeting and bookkeeping, marketing and sales etc.; and

(iii) certain support services shall be provided by the related companies of the New Hotel Manager for the purpose of unifying the Fraser system globally, including management system, international marketing and sales services, central reservation system etc. ("**Fraser Group Management Service**").

Fees payable to the New Hotel Manager:

(i) Basic management fee:

(a) Basic management fee shall be calculated at a percentage of the Hotel's annual revenue; and

(b) it shall be payable from the Hotel's trial opening date.

(ii) Floating management fee:

(a) Floating management fee shall be calculated at an ascending scale of percentages of the Hotel's annual gross operating profits; and

(b) it shall be payable from the date when the Hotel first generates any revenue.

(iii) Headquarters service fee:

(a) Headquarters service fee shall be charged at a fixed amount per month;

(b) it is payable for the services provided by the New Hotel Manager's headquarters in the PRC as regards services such as central procurement and financial audit etc.; and

(c) it shall be payable from the Hotel's trial opening date.

(iv) Fraser Group Management Service fee:

(a) Floating management fee shall be calculated at an ascending scale of percentages of the Hotel's annual gross operating profits; and

(b) it shall be payable from the date when the Hotel first generates any revenue.

Payment:

(i) All aforesaid fees shall be calculated on the basis of a financial year.

(ii) However, the Purchaser shall pay in advance on a monthly basis all such fee based on the monthly report provided by the New Hotel Manager.

(iii) The ultimate amount of the aforementioned fees payable shall be determined and adjusted after certification by the auditors based on the audited accounts for the relevant financial year.

(iv) Any shortfall or excess shall be payable or refunded within 30 days after the New Hotel Manager's notification.

Performance guarantee:

(i) Commencing from the 2nd financial year (calculated from the Hotel's trial opening date), in the event the audited operating gross profits of 2 consecutive financial years is less than a percentage of the operating gross profits in the respective financial year's budget, the New Hotel Manager shall have an option to pay the Purchaser such shortfall.

(ii) In the event the New Hotel Manager does not pay such shortfall, the Purchaser shall be entitled to terminate the New Hotel Management Agreement. In such event, the New Hotel Manager shall not be liable to pay any compensation to the Purchaser.

Damage and destruction to the Hotel:

If the Hotel or any part thereof suffers serious damage or destruction due to fire or other reasons, resulting in more than 30% of the number of rooms being unable to be operated for more than 12 months, or more than 30% of the number of rooms is reasonably expected to require repair costs that exceed the insurance compensation, either party may terminate the New Hotel Management Agreement.

Confiscation or expropriation:

(i) If the whole or part of the Hotel is compulsorily confiscated or expropriated, and according to the reasonable opinion of the New Hotel Manager or Purchaser, the remaining part of the Hotel cannot be operated as serviced apartments that meet Fraser standards, the New Hotel Manager or Purchaser shall be entitled to terminate the New Hotel Management Agreement.

(ii) In this regard, the New Hotel Manager shall be entitled to an amount equivalent to insurance purchased by the Purchaser relating to business disruption.

Event of default:

The following shall constitute an event of default if the Purchaser or the New Hotel Manager:

(i) has breached the New Hotel Management Agreement causing material loss to the non-default party;

(ii) fails to pay any amount due under the New Hotel Management Agreement;

(iii) unilaterally terminates the New Hotel Management Agreement in breach of the terms thereof;

(iv) is subject to bankruptcy, winding up, liquidation, dissolution or judicial administration proceedings or any such order is made against such party; or

(v) is having any order made against it as regards all or substantial part of its assets relating to the appointment of receiver, trustee or liquidator.

Termination:

(i) If Purchaser has committed any event of default under the New Hotel Management Agreement or the Technical Support Services Agreement:

   (a) the New Hotel Manager shall be entitled to terminate the New Hotel Management Agreement by serving a notice on the Purchaser within 120 days of such event of default; and

(b) the New Hotel Manager shall be entitled to a payment equivalent to the sum of basic management fee and floating management fee of the 12 months preceding the event of default.

(ii) If the New Hotel Manager has committed any event of default under the New Hotel Management Agreement or the Technical Support Services Agreement:

(a) the Purchaser shall be entitled to terminate the New Hotel Management Agreement by serving a notice on the New Hotel Manager within 120 days of such event of default; and

(b) the Purchaser shall be entitled to a payment equivalent to the sum of basic management fee and floating management fee of the 12 months preceding the event of default.

(iii) If the Purchaser disposes of the Hotel, or all or any shareholders of the Purchaser has transferred their or its equity interests in the Purchaser, unless the transferee agrees to continue the appointment of the New Hotel Manager on the same terms as the New Hotel Management Agreement:

(a) the Purchaser shall be entitled to terminate the New Hotel Management Agreement by giving 90 days' notice; and

(b) the Purchaser shall pay a fixed amount to the New Hotel Manager as early termination fee.

(iv) If the transferee of the above disposal is a competitor of the New Hotel Manager:

(a) the New Hotel Manager shall be entitled to terminate the New Hotel Management Agreement by giving 90 days' notice; and

(b) the Purchaser shall pay a fixed amount to the New Hotel Manager as early termination fee.

(v) If the Purchaser fails to complete the acquisition of Properties for any reason, the New Hotel Management Agreement shall automatically terminate. In such event, the Purchaser shall not be liable to the New Hotel Manager for any compensation or damages, but shall pay the New Hotel Manager all management fees incurred for the services provided up to termination.

L. THE NEW PROPERTY MANAGEMENT AGREEMENT

Date:

10 January 2024

Parties

(i) The Property Manager; and

(ii) the Purchaser.

As set out above, the Property Manager is a member of the private group of companies controlled by Mr. Jiang Zhaobai, a substantial Shareholder, a non-executive Director and the chairman of the Company. The Property Manager is principally engaged in property management, housing equipment maintenance, cleaning and greening services, parking lot (warehouse) operations, etc..

The Property Manager has been appointed by (i) Owners' Meeting of Shanghai Yifu Business Plaza* (上海市怡富商務廣場業主大會); and (ii) Owners' Committee of Shanghai Yifu Business Plaza* (上海市怡富商務廣場業主委員會) as the property manager of Yifu Business Plaza* (怡富商務廣場), where the Properties are located.

Principal terms of the New Property Management Agreement

Area to be managed by the Property Manager:

(i) The Carpark; and

(ii) area of Yifu Business Plaza* (怡富商務廣場) other than the Excluded Area (as defined below).

Area to be managed by third party to be engaged by the Purchaser:	(i) All area constituting the Hotel including beams, columns and interior walls; (ii) roof and exterior walls of the Hotel, as well as the public plaza area in front of the Hotel; and (iii) other Hotel facilities designated under the New Property Management Agreement (the "**Excluded Area**").
Property management fee payable by the Purchaser:	(i) As regards the Hotel: (a) RMB5 (equivalent to approximately HK$5.5, including value added tax) per square metre per month; and (b) the total property management fee payable per month in this regard amounts to RMB79,745.4 (equivalent to approximately HK$87,000, including value added tax). (ii) As regards the Carpark: (a) RMB70 (equivalent to approximately HK$76.4, including value added tax) per parking space per month; (b) the total number of car parking spaces is 392; and (c) such amount shall have included the water and electricity supply relating to the Carpark.
Utilities fee:	As regards the Hotel, the Purchaser shall pay the Property Manager all utilities fee based on the relevant water, electricity and gas metres, whereupon the Property Manager shall pay the same to the relevant authorities on behalf of the Purchaser.

M. INFORMATION ABOUT THE PROPERTIES

The Company acquired the Properties through the acquisition of the entire issued share capital of the Vendor in November 2014 at the consideration of HK$573,000,000. The Vendor directly owns the Properties. Its wholly-owned PRC Subsidiary is responsible for operations of the Hotel, and accordingly, the Vendor and the PRC Subsidiary entered into the Tenancy Agreement for the purpose of the hotel operations.

Since then the Group had commenced the business segment of hotel operations, and the Hotel became the sole hotel property held by the Group. The Hotel has been managed by the Hotel Manager.

As at the Latest Practicable Date, the Group had entered into (i) the Hotel Management Documents as regards the management of the Hotel; and (ii) the Property Management Agreement with the Property Manager as regards the management of the Properties. As part of the Disposal Conditions, the aforesaid agreements together with the Tenancy Agreement shall terminate prior to Completion.

As the Hotel is located in a convenient location, the average occupancy rate had been kept between 75% and 80% before the Coronavirus 2019 ("**COVID-19**") pandemic. By the end of March 2020, the Hotel had participated in the medical observation programme recognised by the Health Commission of Yangpu District, Shanghai and served as a quarantine hotel. As the effects of COVID-19 had started to subside, the Hotel ceased to operate as a quarantine hotel as of 8 January 2023. The Hotel has since become vacant, awaiting disposal.

Set out below is the audited consolidated financial information of the hotel operation of the Group as prepared in accordance with the Hong Kong Financial Reporting Standards for the years ended 31 March 2022 and 31 March 2023:

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
	(audited)	*(audited)*
	HK$'000	*HK$'000*
Revenue	28,615	36,707
Profit/(loss) before taxation	(3,366)	4,037
Profit/(loss) after taxation	(3,473)	3,968

As at 30 September 2023, the carrying value of the Properties amounted to approximately HK$363,746,000.

The Properties were completed in 2007 and operated as the Holiday Inn Express Shanghai Wujiaochang. Its last renovation took place almost 7 years ago back in 2017. On the other hand, the mid-to-high-end branded serviced apartments in Yangpu District are scarce. The Hotel is conveniently located approximately 540 metres away from the inner ring Highway, and approximately 1 kilometre from the Guoquan Road Metro Station of Line 10. It is also served by various bus lines connecting to the science and technology parks in Yangpu District, Yangpu Riverside and the nearby universities.

The science and technology parks as well as universities serve as a good source of customer base, which has gradually become one of the most active markets for branded serviced apartments in Shanghai. Yangpu District is also abundant with shopping centres such as 萬達商業廣場、悠邁商城、巴黎春天、百聯又一城、合生匯, making it an ideal and convenient district for short or long stays. The Purchaser plans to reposition, transform and operate the Properties, turning the Properties into branded serviced apartments that combine long-term and short-term stays for mid-to-high-end customers. Subsidiaries from the Tishman Speyer Group will assist in and manage the design and renovation of the Properties, which will then be managed by the New Hotel Manager under the name ''Modena by Fraser''. The total renovation period of the Hotel is expected to be 16 months, which will then re-open as serviced apartments. Upon completion of the renovation, the Hotel will have 305 units of serviced apartments. The total estimated cost of the whole project (including the Purchaser's acquisition of the Hotel, the refurbishment and rebranding of the Hotel) is approximately RMB506,000,000 (equivalent to approximately HK$552,046,000), which has included the Disposal Consideration of RMB360,000,000 (equivalent to approximately HK$392,760,000). Of such estimated cost, the Group is only required to bear up to the extent of the PRC Subsidiary Contribution, i.e., RMB64,000,000 (equivalent to approximately HK$69,824,000).

N. REASONS FOR DISPOSAL OF 75% EFFECTIVE INTEREST IN THE PROPERTIES

The Company is an investment holding company. For the year ended 31 March 2023, the Group was principally engaged in agricultural operations, property investment, hotel operations and nature resources operations.

As disclosed in the annual report of the Company for the year ended 31 March 2023, the Group had outstanding other borrowings of approximately HK$285,660,000 which fell due within 12 months. The Company therefore considers disposing of certain of its properties to reduce its indebtedness. Yet, the Company notices the property market has not recovered as expected, and the current economic condition is still weak. Therefore it is difficult to look for a buyer who is willing to fully acquire the interest of the Properties. Tishman Speyer Group, as leader of the Purchaser side (with subsidiary of the Tishman Speyer Group being the general partner of the JV Partner, which in turn held 75% equity interests of the Purchaser as at the Latest Practicable Date) is interested in acquiring 75% effective interest of the Properties. Tishman Speyer Group is a non-listed real estate group headquartered in New York, the United States of America. Since its establishment in 1978, it has become a leader in real estate development and operation, as well as fund management globally. As of the end of March 2023, Tishman Speyer Group has managed assets value of approximately US$67.1 billion. Tishman Speyer Group entered the PRC market in 2006. Over the years, it has used US dollar funds and RMB funds to develop many iconic landmark projects in the PRC, with a cumulative development area of 2,700,000 square metres. Several landmark projects invested by Tishman Speyer Group in the PRC include: (i) The Spings, Shanghai; (ii) Jingyao Qiantan, Shanghai; (iii) Lenovo Headquarters, Shenzhen; and (iv) Shougang Winter Olympics Plaza Project, Beijing etc. Given the background and the experience of Tishman Speyer Group, the Group can ride on their rich and diversified experience in property investment by retaining 25% effective interests in the Properties. Upon Completion, a net cash return of approximately HK$306,571,000 is expected to be generated to the Group. The net proceeds from the Disposal, being the Disposal Consideration net of relevant transaction costs, are estimated to be approximately HK$302,000,000. The cash return will strengthen the financial resources of the Group for repayment of its other borrowings when they fall due. Hence, the gearing ratio as well as the interest expense of the Group can be reduced.

The Purchaser will commence the renovation work and rebranding of the Hotel as hotel-style serviced apartments. Given the background of the New Hotel Manger, the Company is of the view that the 25% investment is in line with the Group's strategy in investing in income generating property with the potential of capital appreciation in the long term. The Company believes this will bring positive result to the Group in the future.

In addition, against the background of current economic climate and the prevailing market conditions, the Company believes that it is an opportune time to realise the Properties while the Disposal Consideration represents a premium of approximately 8% over the carrying amount of the Properties as at 30 September 2023.

Taking into account the aforesaid, the Board considers that the terms of the Disposal Agreement, including the Disposal Consideration, are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

O. FINANCIAL EFFECTS

The Properties have been indirectly held by the Company and accounted for as property, plant and equipment in its consolidated financial statements. The unaudited carrying value of the Properties as at 30 September 2023 was approximately HK$363,746,000, and the estimated gain after deducting relevant transaction costs and tax, from the Disposal is approximately HK$8,078,000.

After the Disposal, the Group will cease to hold any direct interests in the Properties. Subject to further audit procedures to be performed by the auditor of the Company, the Group is expected to record a gain from the Disposal of approximately HK$8,078,000. Such gain is calculated with reference to the net proceeds of approximately HK$371,824,000 net of unaudited carrying value of the Properties as at 30 September 2023 of approximately HK$363,746,000, to be recognised in the consolidated financial statements of the Group on Completion.

Shareholders should note that the exact amount of gain or loss of the Disposal to the Group would be calculated based on the carrying value of the Properties as at the date of Completion and is subject to audit and therefore may be different from the amount mentioned above.

The net proceeds from the Disposal, after deducting the capital of RMB64,000,000 (equivalent to approximately HK$69,824,000) which shall be applied as investment in the Purchaser and relevant transaction costs and tax directly attributable thereto, will be approximately HK$302,000,000. As at the Latest Practicable Date, the Company intended to apply the net proceeds from the Disposal in the following manner:

(i) as to approximately HK$240,000,000, representing approximately 79.47% of the net proceeds from the Disposal, shall be utilised for settlement of the other borrowings of the Group of equivalent amount, representing the outstanding principal amount of a secured loan obtained from a licensed corporation in October 2021 at an interest rate of 10% per annum until September 2023 and at an interest rate of 12% per annum thereafter, which was obtained to repay a loan owed and due to a related company. The outstanding principal amount of HK$240,000,000 will mature in May 2024; and

(ii) as to approximately HK$31,000,000, representing approximately 10.26% of the net proceeds from the Disposal, shall be used as reserve for new business investment opportunities should the Company identify any. As at the Latest Practicable Date, the Company had yet identified any such opportunity but will make relevant announcement as and when required in accordance with the Listing Rules; and

(iii) as to approximately HK$31,000,000, representing approximately 10.26% of the net proceeds from the Disposal, shall be utilised as general working of the Group for its daily operations.

As the investment in the Properties is regarded as non-current assets of the Group, the Disposal will turn such non-current assets into receivables from the Purchaser and hence, the Disposal would not have any material adverse effects on the total assets and the total liabilities of the Group.

For illustration purposes, since part of the Disposal Consideration will be used to repay the other borrowings of approximately HK$240,000,000, the total assets of the Group would be decreased by approximately HK$240,000,000 and total liabilities of the Group would be decreased by approximately HK$240,000,000.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the 25% Acquisition and the PRC Subsidiary Contribution exceeded 5% but below 25%, the 25% Acquisition and the PRC Subsidiary Contribution constitute discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules, which is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors had material interests in the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder, and hence no Director is required to abstain from voting on the Board resolutions approving the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder, and therefore, no Shareholder will be required to abstain from voting on the resolution to be proposed at the GM to approve the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder.

GM

A notice convening the GM to be held at Unit 1506, 15/F., Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong at 10:30 a.m. on Friday, 15 March 2024, is set out on pages 94 to 95 of this circular.

A form of proxy for use by the Shareholders at the GM is enclosed with this circular. Whether or not you intend to attend and vote at the GM in person, you are requested to complete the form of proxy and return it to the office of the Company's share registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the GM or any adjourned meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the GM or any adjourned meeting should you so wish.

RECOMMENDATIONS

The Directors consider the terms of the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the GM to approve the Disposal Agreement, the Shareholders' Agreement, the Purchaser's Articles and the transactions contemplated thereunder.

FURTHER INFORMATION

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

Yours faithfully,
for and on behalf of
the board of Directors
Chen Yi, Ethan
Executive Director and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three years ended 31 March 2023 are disclosed in the following documents which have been published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website:

(a) the annual report of the Company for the year ended 31 March 2021 published on 28 July 2021, please see: https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0728/2021072800185.pdf (pages 59–152);

(b) the annual report of the Company for the year ended 31 March 2022 published on 27 July 2022, please see: https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0727/2022072700524.pdf (pages 71–168); and

(c) the annual report of the Company for the year ended 31 March 2023 published on 26 July 2023, please see: https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0726/2023072600684.pdf (pages 78–168).

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2023 (being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular), the Group had outstanding indebtedness of approximately HK$249,662,000. The indebtedness was comprised of (i) secured and unguaranteed other borrowings of approximately HK$240,000,000, (ii) secured and unguaranteed bank borrowings of approximately HK$8,662,000 and (iii) unsecured and unguaranteed other borrowings of approximately HK$1,000,000. As at 31 December 2023, the secured and unguaranteed other borrowings were secured by the shares of certain subsidiaries of the Company.

Save as disclosed above and part from intra-group liabilities, the Group did not have any (i) debt securities issued and outstanding, authorised or otherwise created but unissued, term loans, distinguishing between guaranteed, unguaranteed, secured and unsecured; (ii) other borrowings or indebtedness in the nature of borrowing; (iii) mortgages and charges; and (iv) any contingent liabilities or guarantees as at the close of business of 31 December 2023.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As at the Latest Practicable Date, the Group was principally engaged in property investment operation, agricultural operation and resources operation.

For the year ended 31 March 2023, the Group recorded audited consolidated total revenue of approximately HK$146,392,000. Loss attributable to the shareholders of the Company for the year ended 31 March 2023 amounted to approximately HK$196,544,000. The Properties contributed revenue under hotel operation of approximately HK$28,615,000, representing approximately 19.6% of the audited consolidated total revenue of the Group and a segment loss of approximately HK$3,473,000 for the year ended 31 March 2023. As mentioned in the ''Information about the Properties'', as the effects of COVID-19 had started to subside, the Hotel ceased to operate as a quarantine hotel as of 8 January 2023. The Hotel has since become vacant, awaiting disposal. No revenue was generated from the Hotel since then.

The Properties were completed in 2007 and operated as the Holiday Inn Express Shanghai Wujiaochang. Its last renovation took place almost 7 years ago back in 2017. There is a strong need to upgrade its facilities to tailor for the demand and expectation of its guests. The Directors consider that the Disposal should not have material impact to the Group's existing operations but will enable the Group, by disposing of the Properties, to realise cash and repay some of the indebtedness. Following the Disposal, the Group will cease the hotel operation and continue to engage in the segments of agricultural operation, property investment operation and resources operation.

Agricultural operation

The Group started its agricultural operation by the end of 2019. This segment provided steady income and cashflow to the Group in the past three years. The Group currently operates, through several wholly-owned subsidiaries namely Empresa Agropecuaria Novagro S.A., Sociedad Agropecuaria Agrotanto S.A. and Agropecuaria Irricobol S.R.L, the agriculture business of soybean plantation (major product) and cattle raising business in Bolivia. The total farmland owned by the Group reaches 18,730 hectares. The market price of soybean had reached historical high since the beginning of 2021, leading to the revenue and profitability of this segment reaching a reasonable level. As the world population continues to grow, urbanisation rates in most countries also accelerate as a result, which increase the demand for food products at the same time. The Group is optimistic about the prospects in the agricultural industry and will actively allocate resources to further expand the agricultural operation.

Property investment operation

The Group currently owns approximately total gross floor area of 19,600 sq. m. in Beijing Interchina Commercial Building, located in the central business district of Beijing, the PRC (comprising approximately 7,650 sq. m. of office units, 5,800 sq. m. of retail units and 6,150 sq. m. of parking space) (the "**Beijing Property**"). The occupancy rate of the Beijing Property reached 86% which provides stable rental income to the Group. The Group also owns 14 retail units with total gross floor area of approximately 8,500 sq. m. in the Above the Bund Square, Shanghai (the "**Shanghai Property**"). The occupancy rate of the Shanghai Property reached 83% as at 30 September 2023. The Group will continue to identify potential tenants in order to increase rental income as soon as possible. The Group will hold the Beijing Property and the Shanghai Property for recurrent rental income in long term.

Resources operation

The Group holds a mining licence to conduct the activities of construction, production, sales transportation and processing/refinery of manganese ore in the district of Kupang City Nusantara Timor Tenggara, Indonesia for a period of 20 years which should expire on 4 November 2031, with estimated resources of approximately 18,800,000 tonnes (the "**Mining Right**"). Production has not commenced since the Group acquired the Mining Right in November 2011.

Being affected by policy prohibiting raw ore export promulgated by the Indonesia government since January 2014, this operation had made no production. According to the relevant regulations of Indonesia, the Group needs to construct a smelter complex in order to apply for an export licence for sale of processed mineral ore to overseas. Having considered the business risks involved including but not limit to (i) further significant amount of capital investment in the construction of smelter complex; (ii) the manganese ore price level is not yet high enough for the operation to be profitable; and (iii) the unstable global economic and political conditions which could dampen the market price of the mineral products, it is estimated that commercial production is unable to be commenced in the short term. Nevertheless, the Group will keep a conservative attitude in the operation and closely monitor the market conditions as well as consider other options such as cooperation with other party which has experience in the development and investment in resource operation and/or realisation of the investment should the opportunities arise.

The Group will continue to identify investment and business development opportunities conservatively and seriously, to better utilise its capital to expand the scope of business, to explore potential projects and to acquire good quality assets so as to enhance its long-term return of the Shareholders.

4. WORKING CAPITAL SUFFICIENCY

The Directors, after due and careful enquiry, were of the opinion that taking into account the Group's internally generated funds, existing banking and other borrowing facilities available, the existing cash and bank balances and the effect of the Disposal, as well as the continuing financial support by Mr. Jiang Zhaobai, a non-executive Director, the chairman of the Company and a substantial Shareholder, the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up) has sufficient working capital for at least 12 months from the date of this circular. The Company has obtained the relevant confirmation required under Rule 14.66 (12) of the Listing Rules.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and to the best knowledge of the Directors, save for the increase in loss for the six months ended 30 September 2023 as anticipated in the Company's profit warning announcement dated 14 November 2023 and as further set out in the Company's interim report for the six months ended 30 September 2023, there was no material adverse change in the financial or trading position of the Group since 31 March 2023, being the date to which the latest published audited consolidated accounts of the Company had been made up.

The following is the text of a letter, and valuation certificate, prepared for the purpose of incorporation in this circular received from Colliers Appraisal & Advisory Services Co., Ltd, an independent valuer, in connection with its valuation as at 22 December 2023 of the Property to be disposal by the Group. Terms defined in this appendix applies to this appendix only.

Our Ref: 23–13457

Colliers Appraisal & Advisory Services Co., Ltd.
Suite 507, Block A, Gemdale Plaza,
No. 91 Jianguo Road,
Chaoyang District, Beijing

20 February 2024

The Board of Directors
EverChina Int'l Holdings Company Limited

Unit 1506, 15/F., Capital Centre
151 Gloucester Road, Wanchai, Hong Kong

Dear Sir or Madam,

Re: Valuation of Holiday Inn Express Shanghai Wujiaochang located at Nos. 1729 and 1737 Huangxing Road, Yangpu District, Shanghai, the People's Republic of China (the "Property")

INSTRUCTIONS

We refer to your instructions for us to assess the Market Value of the Property in which EverChina Int'l Holdings Company Limited (the "**Company**") and its subsidiaries (hereafter together referred to as the "**Group**") have interests in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquires and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 22 December 2023 (the "**Valuation Date**") for the purpose of incorporating in the public document.

BASIS OF VALUATION

Our valuation is provided on the basis of Market Value, which we would define as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

The Property designed to be sold in an open market as fully operational entities for a limited use and are priced based on their operation. In the circumstances, we have valued the Property on an ongoing concern basis as an operating hotel.

VALUATION STANDARDS

This valuation has been carried out in accordance with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC). and the requirements met out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

QUALIFICATIONS OF THE VALUER

This valuation has been prepared by Kin Ming Woo (James Woo) (RICS Registration No.: 0837243), who is a Fellow of the Royal Institution of Chartered Surveyors. James is a Fellow member of the Royal Institution of Chartered Surveyors. James is co-head of China Valuation and Advisory Services team at Colliers. He is suitably qualified to carry out the valuation and has over 25 years' experience in the valuation of properties of this magnitude and nature in China.

Neither the valuer nor Colliers Appraisal & Advisory Services Co., Ltd. are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the property interests.

VALUATION APPROACHES

In determining the market value of the Property, we have valued the Property by using the Income Approach — the Discounted Cash Flow Method as the primary method and the Market Approach.

Income Approach is an approach to valuation that provides an indication of value by converting future cash flows to a single current capital value.

Discounted Cash Flow (DCF) Method is the process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money. During the DCF technique, the income is projected over the investment cycle and the net income is calculated after the deduction of capital, operating, and other necessary expenses.

Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. By analyzing such sales, which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Group and its legal advisor in respect of the titles of the Property in the PRC. We also have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as ownership title, site and floor areas, easements, tenure, the identification of the property interests and all other relevant matters.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

TITLE DOCUMENTS

We have been provided with copies or extracts of some title documents relating to the Property and have made relevant enquiries where possible. Due to the nature of the land registration system in the PRC, we have not examined the original documents to verify the existing titles to the property interests the PRC or any material encumbrances that might be attached to the property interests or any lease amendments. We have made assumptions that the full and proper ownership title of the Property has been obtained and all payable land premium or land-use rights fees have been fully settled.

We have relied on the advice given by the Group's legal adviser, Beijing Grandway (Shanghai) Law Office (北京國楓(上海)律師事務所), regarding the titles of the Property in the PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation particulars are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter and the valuation particulars.

ASSUMPTIONS AND CAVEATS

Our valuations have been made on the assumption that the owner can sell the Property on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements that would serve to affect the value of the Property.

No allowance has been made in our valuations for any charges, mortgages or amounts owing either on the Property or for any expense or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

We have conducted the valuation assuming that:

- the information about the Property provided by the Company is true and correct;
- the Property is free from contamination and the ground conditions are satisfactory;
- the full and proper ownership title of the Property has been obtained, and all payable land premium or land-use rights fees have been fully settled;
- the Property has been constructed, occupied and used in full compliance with, and without contravention of, all relevant laws, ordinances and statutory requirements; and
- We have assumed that, for any use (s) of the Property upon which this valuation report is based, any and all required licences, permits, certificates, and authorisations have been obtained, and are capable of renewal without difficulty.

SITE MEASUREMENT

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

We have inspected the Property exterior and, where possible, the interior of the Property by our Gladys Liu (Manager), member of CREA on 25 September 2023. In the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have assumed such are in good order for the purpose of valuation.

No structural surveys or environmental assessments have been made. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have assumed such are in good order for the purpose of valuation.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation particulars are attached hereto.

Yours faithfully,
For and on behalf of
Colliers Appraisal & Advisory Services Co., Ltd.

Kin Ming Woo James
FRICS AICFC
Executive Director
Valuation and Advisory Services I China

Note: Mr. James Woo is a registered valuer with over 25 years' experience in real estate industry and assets valuation sector. He has ample experience on valuation services in Mainland China and Hong Kong. Mr. Woo is a fellow member of the Royal Institution of Chartered Surveyors.

VALUATION PARTICULARS

PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 22 DECEMBER 2023
Holiday Inn Express Shanghai Wujiaochang (上海五角場智選假日酒店), located at Nos. 1729 and 1737 Huangxing Road, Yangpu District, Shanghai, PRC	The Property, known as Holiday Inn Express Shanghai Wujiaochang, is located west of Huangxing Road (黃興路) and south of Guoshun Road (國順路) in Yangpu District. It is about 1 km to Metro Line 10 Wujiaochang Station (五角場站). The locality is a mature commercial area and well served by public facilities and convenient public transportation network. The Property is a 20-storey hotel comprising 296 rooms, a restaurant and a laundry room and underground car parking erected on a parcel of land, with a total site area of 12,411 sq m completed in 2007. Detailed GFA of the Property is listed below:	At the date of our inspection, the Property was vacant.	RMB337,000,000

Portions	Level	GFA (*sq m*)
Hotel	20	15,949.09
Carparking space	B1/B2	18,329.46
Total		**34,278.55**

As advised, the Property was opened in 2007, with last renovation took place in 2017 and used as quarantine hotel during the period from end of March 2020 to beginning of January 2023, and closed on 8 January 2023.

Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Property have been granted for a term expiring on 10 March 2055 for retail and office uses.

Notes:

1) Pursuant to the Real Estate Ownership Certificate Hu Fang Di Yang Zi (2014) Di 021288 Hao, the land-use rights of a parcel of land located at Qiu 4/2, Jiefang 285, Wujiaochang Sub-district, Yangpu District with a site area of 12,411 sq m and the corresponding building ownership with a total gross floor area of 34,278.55 sq m are vested in Loyal Rich International Investment Limited (來富國際投資有限公司) for retail and office purpose for a term commencing on 11 March 2005. The details are listed below:

Location	**Room Number**	**Use of Building**	**GFA** *(sq m)*
No. 1729 Huangxing Road	Levels 1 to 20	Hotel	15,949.09
No. 1737 Huangxing Road	Basement Levels 2 and 3	Others	18,329.46
Total			**34,278.55**

2) According to the information provided, Loyal Rich International Investment Limited (來富國際投資有限公司) is a wholly owned subsidiary of the Company.

3) Our key assumptions in the valuation are as follows:

Average Daily Rate ("**ADR**"):	RMB380 per night per room (inclusive of VAT)
Stabilized Occupancy Rate:	80%
Stabilized Growth Rate:	3%
Capitalization Rate:	4.25%
Discount Rate:	7.25%

4) The general description and market information of the Property are summarized below:

Location	The Property is located west of Huangxing Road (黃興路) and south of Guoshun Road (國順路) in Yangpu District, Shanghai.
Transportation	It is a 20-minute walk from Wujiaochang station on metro line 10 and Wujiaochang shopping area and approximately 540 metres away from the inner ring Highway, Fudan University and Tongji University are around 10-minute drive from the Property. Hongqiao International Airport is located approximately 21 km from the Property. Shanghai Railway Station is about 8 km from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	Wujiaochang is a traditional commercial area in Yangpu District, located at the northeast corner of the city area of Shanghai. Landmark development such as: Fudan University and Tongji University, Wanda Mall, UMax, Balian Youyicheng, Hopson One are located in the vicinity.

5) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, which contains, inter alia, the following information:

Loyal Rich International Investment Limited (來富國際投資有限公司) has the legal and effective rights to possess, use, receive earnings from and dispose of the Property in accordance to the above-mentioned real estate ownership certificates. According to the Real Estate Registration Information Inquiry Result Notice (不動產登記信息查詢結果告知單) issued by the Shanghai Municipal Commission of Planning and Natural Resources 19 February 2024,

i. the Property is not subject to any restriction, bank mortgage and encumbrances or any third-party interests.

ii. Loyal Rich International Investment Limited (來富國際投資有限公司) has the right to carry out the sale of Holiday Inn Express Shanghai Wujiaochang (上海五角場智選假日酒店).

6) We have assumed that the Property is operating as a normal functioning hotel in its current state as of date of valuation.

7) In assessing the ADR of the Property, we have made reference to the room rate of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and location, etc. Comparable that had been selected include daily room rate ranges from RMB350 to RMB420 per room. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, location, building facilities, age/maintenance, etc. to determine the room rate of the Property.

8) Pursuant to the Company Business License No. 10000002202310260011, 天富(上海)酒店管理有限公司 (Unified Social Credit Code: 9131000000886034701) with the address of No. 1729 Huangxing Road, Yangpu District, Shanghai, has been in business in the term from 1 April 2014 to indefinite period with the business scope of 在楊浦區黃興路1729號內從事酒店經營含住宿、中型飯店(不含熟食滷味)、附設商場，商務中心，停車場(庫)經營。依法須經批准的項目，經相關部門批准後方可開展經營活動.

9) According to the information provided by the Group, Loyal Rich International Investment Limited (來富國際投資有限公司) (the "**Vendor**") a wholly own subsidiary of the EverChina Int'l Holdings Company Limited entered into a master agreement dated 28 December 2023 between the Vendor 天富(上海)酒店管理有限公司，上海景奕股權投資合夥企業(有限合夥) and Shanghai Jingyao Ting Hotel Co., Limited (上海晶耀庭酒店有限公司) (the "**Purchaser**") disposal of 75% effective interest in the Property to the Purchaser, as well as the refurbishment and rebranding of the Hotel into serviced apartments to be operated under the brand "Modena by Fraser". The total estimated cost of refurbishment and rebranding of the Hotel is approximately RMB146,000,000, net of the consideration of RMB360,000,000.

10) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

Real Estate Ownership Certificate	Yes
Business License	Yes

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and chief executive of the Company

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

Name	Name of company in which interests or short positions were held	Nature of interests	Number of shares	Approximate percentage of shareholding
Mr. Jiang Zhaobai (“**Mr. Jiang**”)	The Company	Interest in controlled corporation *(Note 1)*	2,042,210,000 Shares (L)	28%
Mr. Jiang Xiao Heng Jason (“**Mr. Jason Jiang**”)	The Company	Interest in controlled corporation *(Note 1)*	2,042,210,000 Shares (L)	28%

(L) denotes the long position held in the Shares

Notes:

1. The issued share capital of Rich Monitor Limited and Pengxin Holdings Company Limited are held as to 51% by Mr. Jiang and 49% by Mr. Jason Jiang. Therefore, both Mr. Jiang and Mr. Jason Jiang are deemed to be interested in 2,042,210,000 Shares under the SFO. Mr. Jiang is a director of both Rich Monitor Limited and Pengxin Holdings Company Limited.

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

(b) Substantial Shareholders and persons having 5% or more shareholding

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up) or had options in respect of such capital:

Name	Name of company in which interests or short positions were held	Nature of interests	Number of shares	Approximate percentage of shareholding
Rich Monitor Limited *(Note 1)*	The Company	Beneficial owner	1,133,300,000 Shares (L)	15.54%
Pengxin Holdings Company Limited *(Note 1)*	The Company	Beneficial owner	908,910,000 Shares (L)	12.46%
Ansheng Holdings Co., Ltd *(Note 2)*	The Company	Beneficial owner	732,935,000 Shares (L)	10.05%
Tong Yung Ling *(Note 2)*	The Company	Interest in controlled corporation	732,935,000 Shares (L)	10.05%

(L) denotes long position in the Shares

Notes:

1. The issued share capital of Rich Monitor Limited and Pengxin Holdings Company Limited are held as to 51% by Mr. Jiang and 49% by Mr. Jason Jiang. Therefore, both Mr. Jiang and Mr. Jason Jiang are deemed to be interested in 2,042,210,000 Shares under the SFO. Mr. Jiang is a director of both Rich Monitor Limited and Pengxin Holdings Company Limited.

2. The entire issued share capital of Ansheng Holdings Co., Ltd is held by Tong Yung Ling. Therefore, Tong Yung Ling is deemed to be interested in 732,935,000 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no person (other than a Director or chief executive of the Company) had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up) or who had any options in respect of such capital.

3. SERVICE CONTRACT

As at the Latest Practicable Date, there was no service contract or any proposed service contract between any of the Directors or proposed Directors and the Company or any member of the Group, excluding contracts expiring or determinable by the Group within a year without payment of any compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors or their respective close associates had any interests in any business which competed or might compete, either directly or indirectly, with the business of the Group as at the Latest Practicable Date.

5. MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 March 2023, being the date to which the latest published audited consolidated accounts of the Company were made up, acquired or dispose of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up), or were proposed to be acquired or disposed of by or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up).

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting on the Latest Practicable Date which was significant in relation to the business of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up).

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware, there were no litigation or claims of material importance pending or threatened against any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up).

7. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up) within two years immediately preceding the Latest Practicable Date:

(a) the disposal agreement dated 9 August 2022 entered into between Interchina (Tianjin) Water Treatment Company Limited* (國中(天津)水務有限公司), a wholly-owned subsidiary of the Company, and Mr. Jiang in relation to the disposal of 100,000,000 shares in the share capital of Heilongjiang Interchina Water Treatment Company Limited* (黑龍江國中水務股份有限公) at the aggregate consideration of RMB254,000,000 (equivalent to approximately HK$298,450,000), as supplemented by an extension letter signed by the same parties on 30 November 2022, a second extension letter signed by the same parties on 31 January 2023, and a third extension letter signed by the same parties on 31 March 2023;

(b) the disposal agreement dated 9 August 2022 entered into between Interchina (Tianjin) Water Treatment Company Limited* (國中(天津)水務有限公司), a wholly-owned subsidiary of the Company, and Shanghai Pengxin (Group) Co., Ltd.* (上海鵬欣(集團)有限公司) in relation to the disposal of 127,312,500 shares in the share capital of Heilongjiang Interchina Water Treatment Company Limited* (黑龍江國中水務股份有限公) at the aggregate consideration of RMB323,373,750 (equivalent to approximately HK$379,964,000), as supplemented by an extension letter signed by the same parties on 30 November 2022, a second extension letter signed by the same parties on 31 January 2023, and a third extension letter signed by the same parties on 31 March 2023;

(c) the LOI;

(d) the Master Agreement;

(e) the 25% Acquisition Agreement;

(f) the Shareholders' Agreement;

(g) the Purchaser's Articles;

(h) the Disposal Agreement; and

(i) the Disposal Custodian Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advices contained in this circular:

Name	Qualification
Colliers Appraisal & Advisory Services Co., Ltd.	professional valuers

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up) 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 (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up), or any interests, directly or indirectly, in any assets which had been, since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up, acquired, disposed of or leased to any member of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up), or were proposed to be acquired, disposed of or leased to any member of the Group (including any company which will become a subsidiary of the

Company by reason of an acquisition which has been agreed or proposed since 31 March 2023, being the date to which the latest audited consolidated accounts of the Company have been made up).

9. MISCELLANEOUS

(a) The registered office of the Company is at Unit 1506, 15th Floor, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.

(b) The share registrar and transfer office of the Company is Tricor Tengis Limited at 17th Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong.

(c) The secretary of the Company is Mr. Lau Chi Lok, Freeman who is a fellow member of Hong Kong Institute of Certified Public Accountants and member of CPA Australia.

(d) The English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the Stock Exchange's website and the Company's website at https://www.everchina202.com.hk from the date of this circular up to and including the date of the GM:

(a) the Master Agreement;

(b) the 25% Acquisition Agreement;

(c) Shareholders' Agreement;

(d) the Purchaser's Articles;

(e) the Disposal Agreement;

(f) the letter from the Board, the text of which is set out on pages 6 to 75 of this circular;

(g) the valuation report on the Properties, the text of which is set out on pages 80 to 87 of this circular;

(h) the written consent(s) referred to in the paragraph headed "Expert and Consent" in this appendix; and

(i) this circular.

EVERCHINA INT'L HOLDINGS COMPANY LIMITED
潤 中 國 際 控 股 有 限 公 司

(incorporated in Hong Kong with limited liability)

(Stock Code: 202)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a general meeting (the "**Meeting**") of EverChina Int'l Holdings Company Limited (the "**Company**") will be held at Unit 1506, 15/F., Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong at 10:30 a.m. on Friday, 15 March 2024, for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as ordinary resolution of the Company:

Ordinary Resolution

1. "**THAT**:

(i) (a) the sale and purchase agreement (the "**Disposal Agreement**", a copy of which has been produced to the Meeting marked 'A' and signed by the chairman of the Meeting for the purpose of identification) dated 10 January 2024 entered into between Loyal Rich International Investment Limited (來富國際投資有限公司), a wholly-owned subsidiary of the Company, as vendor and Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司) as purchaser in relation to the disposal of the entire interest in the properties located at Nos. 1729 and 1737 Huangxing Road, Yangpu District, Shanghai, the People's Republic of China comprising a 20-storey hotel and a 2-storey carpark at the consideration of RMB360,000,000; (b) the shareholders' agreement (the "**Shareholders' Agreement**", a copy of which has been produced to the Meeting marked 'B' and signed by the chairman of the Meeting for the purpose of identification) dated 28 December 2023 and signed by Tianfu (Shanghai) Hotel Management Company Limited* (天富(上海)酒店管理有限公司), a wholly-owned subsidiary of the Company, and Shanghai Jingyi Equity Investment Partnership (Limited Partnership) * (上海景奕股權投資合夥企業(有限合夥)) in relation to the ownership and operation of Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司); and (c) the articles of association (the "**Purchaser's Articles**", a copy of which has been produced to the Meeting marked 'C' and signed by the chairman of the Meeting for the purpose of identification) of Shanghai Jingyao Ting Hotel Co., Limited* (上海晶耀庭酒店有限公司) dated 28 December 2023 and signed by Tianfu (Shanghai) Hotel Management Company Limited* (天富(上海)酒店管理有限公司),

a wholly-owned subsidiary of the Company, and Shanghai Jingyi Equity Investment Partnership (Limited Partnership)* (上海景奕股權投資合夥企業(有限合夥)); and the transactions contemplated under each of the aforesaid documents be and are hereby approved, confirmed and ratified; and

(ii) the directors of the Company be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver all such documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Disposal Agreement, the Shareholders' Agreement and the Purchaser's Articles and the transactions contemplated thereunder."

By order of the Board
EverChina Int'l Holdings Company Limited
Chen Yi, Ethan
Executive Director and Chief Executive Officer

Hong Kong, 20 February 2024

Registered office:

Unit 1506, 15th Floor
Capital Centre
151 Gloucester Road
Wanchai, Hong Kong

* *For identification purpose only*

Notes:

1. A shareholder of the Company entitled to attend and vote at the Meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.

2. Where there are joint registered holders of any share of the Company (the "**Share**"), any one such persons may vote at the Meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the Company's share registrar, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, No.16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

4. As at the date of this notice, the executive directors of the Company are Mr. Chen Yi, Ethan and Mr. Jiang Xiao Heng Jason; the non-executive director of the Company is Mr. Jiang Zhaobai (chairman); and the independent non-executive directors of the Company are Mr. Ho Yiu Yue, Louis, Mr. Ko Ming Tung, Edward and Mr. Ng Ge Bun.