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濱江服務

BINJIANG SERVICE

Binjiang Service Group Co. Ltd.

濱江服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3316)

CONNECTED TRANSACTIONS

INTRODUCTION

On November 18, 2019, Ningbo Binrun entered into the Chunjiangyue Agreement, the Jinse Jiangnan Agreement and the Jinse Liming Agreement with Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua, respectively.

Pursuant to the Chunjiangyue Agreement, Ningbo Binrun agreed to assume from Quzhou Real Estate, the right to use the Chunjiangyue Storage Rooms and the Chunjiangyue Car Parking Spaces for a consideration of RMB3,310,000.00. The Chunjiangyue Storage Rooms and the Chunjiangyue Car Parking Spaces are both located in residential development projects developed by Quzhou Real Estate.

Pursuant to the Jinse Jiangnan Agreement, Ningbo Binrun agreed to assume from Binjiang South Real Estate, the right to use the Jinse Jiangnan Storage Rooms and the Jinse Jiangnan Car Parking Spaces for a consideration of RMB13,774,978.00. The Jinse Jiangnan Storage Rooms and Jinse Jiangnan Car Parking Spaces are both located in residential development projects developed by Binjiang South Real Estate.

Pursuant to the Jinse Liming Agreement, Ningbo Binrun agreed to assume from Binjiang Sanhua, the right to use the Jinse Liming II Storage Rooms, Jinse Liming III Storage Rooms and Jinse Liming II Car Parking Spaces for a consideration of RMB5,022,836.40. The Jinse Liming II Storage Rooms, Jinse Liming III Storage Rooms and the Jinse Liming II Car Parking Spaces are all located in residential development projects developed by Binjiang Sanhua.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Binrun is an indirect wholly-owned subsidiary of the Company. Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are all wholly-owned subsidiaries of Binjiang Real Estate. Binjiang Real Estate is controlled by Mr. Qi, one of the Company's controlling shareholder. Therefore, Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are all connected persons of the Company.

Reference is made to the announcement of the Company dated May 17, 2019 in relation to entry of the Jinxiu Tiancheng Agreements pursuant to which Ningbo Bunrun agreed to assume from Jinxiu Tiancheng, certain storage rooms and car parking spaces located in residential development projects developed by Jinxiu Tiancheng. Jinxiu Tiancheng was a subsidiary of Binjiang Real Estate at the time of entry to the Jinxiu Tiancheng Agreements. As the Agreements, together with the Jiuxiu Tiancheng Agreements, are of a similar nature and entered into with subsidiaries of Binjiang Real Estate at the time of their entry, they shall be aggregated under Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio for the Company in respect of the transactions contemplated under the Agreements and the Jinxiu Tiancheng Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Agreements and the Jinxiu Tiancheng Agreements are subject to reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On November 18, 2019, Ningbo Binrun entered into the Chunjiangyue Agreement, the Jinse Jiangnan Agreement and the Jinse Liming Agreement with Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua, respectively.

Pursuant to the Chunjiangyue Agreement, Ningbo Binrun agreed to assume from Quzhou Real Estate, the right to use the Chunjiangyue Storage Rooms and the Chunjiangyue Car Parking Spaces for a consideration of RMB3,310,000.00. The Chunjiangyue Storage Rooms and the Chunjiangyue Car Parking Spaces are both located in residential development projects developed by Quzhou Real Estate.

Pursuant to the Jinse Jiangnan Agreement, Ningbo Binrun agreed to assume from Binjiang South Real Estate, the right to use the Jinse Jiangnan Storage Rooms and the Jinse Jiangnan Car Parking Spaces for a consideration of RMB13,774,978.00. The Jinse Jiangnan Storage Rooms and Jinse Jiangnan Car Parking Spaces are both located in residential development projects developed by Binjiang South Real Estate.

Pursuant to the Jinse Liming Agreement, Ningbo Binrun agreed to assume from Binjiang Sanhua, the right to use the Jinse Liming II Storage Rooms, Jinse Liming III Storage Rooms and Jinse Liming II Car Parking Spaces for a consideration of RMB5,022,836.40. The Jinse Liming II Storage Rooms, Jinse Liming III Storage Rooms and the Jinse Liming II Car Parking Spaces are all located in residential development projects developed by Binjiang Sanhua.

THE CHUNJIANGYUE AGREEMENT

Date

November 18, 2019

Parties

- (a) Quzhou Real Estate as the assignor; and
- (b) Ningbo Binrun as the assignee.

Rights to be assumed by Ningbo Binrun

The right to use (which includes the right to occupy, assign, or rent out) the Chunjiangyue Storage Rooms, being 142 storage rooms, and the Chunjiangyue Car Parking Spaces, being 40 parking spaces, located in the Chunjiangyue Project, until January 18, 2080.

Consideration

The total consideration under the Chunjiangyue Agreement of RMB3,310,000.00 was determined after arm's length negotiations between Ningbo Binrun and Quzhou Real Estate, having taken into account, amongst other things, the prevailing market prices of storage spaces and car parking spaces located near the Chunjiangyue Project.

Payment and Completion

The consideration under the Chunjiangyue Agreement will be funded by internal resources of the Company and shall be payable in cash within ten days of the date of the Chunjiangyue Agreement. Completion of the Chunjiangyue Agreement shall take place on the same day upon payment of consideration.

THE JINSE JIANGNAN AGREEMENT

Date

November 18, 2019

Parties

- (a) Binjiang South Real Estate as the assignor; and
- (b) Ningbo Binrun as the assignee.

Rights to be assumed by Ningbo Binrun

The right to use (which includes the right to occupy, assign, or rent out) the Jinse Jiangnan Storage Rooms, being four storage rooms with a total gross floor area of 45.4 square metres, and the Jinse Jiangnan Car Parking Spaces, being 201 parking spaces, located in the Jinse Jiangnan Project, until July 30, 2083.

Consideration

The total consideration under the Jinse Jiangnan Agreement of RMB13,774,978.00 was determined after arm's length negotiations between Ningbo Binrun and Binjiang South Real Estate, having taken into account, amongst other things, the prevailing market prices of storage spaces and car parking spaces located near the Jinse Jiangnan Project.

Payment and Completion

The consideration under the Jinse Jiangnan Agreement will be funded by internal resources of the Company and shall be payable in cash within ten days of the date of the Jinse Jiangnan Agreement. Completion of the Jinse Jiangnan Agreement shall take place on the same day upon payment of consideration.

THE JINSE LIMING AGREEMENT

Date

November 18, 2019

Parties

- (a) Binjiang Sanhua as the assignor; and
- (b) Ningbo Binrun as the assignee.

Rights to be assumed by Ningbo Binrun

The right to use (which includes the right to occupy, assign, or rent out) the Jinse Liming II Storage Rooms, being 62 storage rooms with a total gross floor area of 832.02 square metres, Jinse Liming III Storage Rooms, being 20 storage rooms with a total gross floor area of 261.87 square metres and the Jinse Liming II Car Parking Spaces, being two parking spaces, located in the Jinse Liming Project, until February 10, 2081.

Consideration

The total consideration under the Jinse Liming Agreement of RMB5,022,836.40 was determined after arm's length negotiations between Ningbo Binrun and Binjiang Sanhua, having taken into account, amongst other things, the prevailing market prices of storage spaces and car parking spaces located near the Jinse Liming Project.

Payment and Completion

The consideration under the Jinse Liming Agreement will be funded by internal resources of the Company and shall be payable in cash within ten days of the date of the Jinse Liming Agreement. Completion of the Jinse Liming Agreement shall take place on the same day upon payment of consideration.

REASONS FOR AND BENEFITS OF THE AGREEMENTS

As the developments of the Projects are almost complete and the sales department of Binjiang Real Estate will be moving out from the location of the Projects upon their completion, it is more convenient for the Group, being the provider of ongoing property management services to the residential owners of the Projects, to take over the assignment and leasing of the right to use the relevant car parking spaces and storage rooms to residential owners. The Company considers that there will be steady demand for car parking spaces and storage rooms by the owners of the residential units in the Projects, as the ratios of residential units to car parking spaces in the Chunjiangyue Project, the Jinse Jiangnan Project, and the Jinse Liming Project Phase II are 1:0.86, 1:0.85 and 1:0.79 respectively, and the ratios residential units to storage rooms in the Chunjiangyue Project, Jinse Jiangnan Project and Jinse Liming Project Phase II, Jinse Liming Project Phase III are 1:0.56, 1:0.1, 1:0.06 and 1:0.05, respectively. As such, the rights assumed by the Group under the Agreements would provide a good opportunity for the Group to monetise the right to use the relevant storage rooms and car parking spaces as well as enable the Group to bring valuable return to its Shareholders.

The Board (including the independent non-executive Directors) considers that the terms of the Agreements (including the consideration thereunder) and the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Company, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE CAR PARKING SPACES AND THE STORAGE ROOMS

As at June 30, 2019, there were no development costs, book value, or relevant original acquisition cost allocated to the relevant car parking spaces and storage rooms as such assets were developed by Quzhou Real Estate, Binjiang South Real Estate, and Binjiang Sanhua.

INFORMATION ON THE PARTIES

The Group is a reputable property management service provider in China with a focus on high-end residential properties.

Ningbo Binrun is a company established in the PRC on 14 May 2019 with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in property management and sales of car parking spaces.

Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are all companies established in the PRC with limited liability and wholly-owned by Binjiang Real Estate. They are connected persons of the Company as Binjiang Real Estate is controlled by Mr. Qi, one of the Company's controlling shareholder. Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are principally engaged in the business of property development and management. Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are the developers of the Chunjiangyue Project, the Jinse Jiangnan Project and the Jinse Liming Project, respectively.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Binrun is an indirect wholly-owned subsidiary of the Company. Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are all wholly-owned subsidiaries of Binjiang Real Estate. Binjiang Real Estate is controlled by Mr. Qi, one of the Company's controlling shareholder. Therefore, Quzhou Real Estate, Binjiang South Real Estate and Binjiang Sanhua are all connected persons of the Company.

Reference is made to the announcement of the Company dated May 17, 2019 in relation to entry of the Jinxiu Tiancheng Agreements pursuant to which Ningbo Binrun agreed to assume from Jinxiu Tiancheng, certain storage rooms and car parking spaces located in residential development projects developed by Jinxiu Tiancheng. Jinxiu Tiancheng was a subsidiary of Binjiang Real Estate at the time of entry to the Jinxiu Tiancheng Agreements. As the Agreements, together with the Jiuxiu Tiancheng Agreements, are of a similar nature and entered into with subsidiaries of Binjiang Real Estate at the time of their entry, they shall be aggregated under Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio for the Company in respect of the transactions contemplated under the Agreements and the Jinxiu Tiancheng Agreements is more than 0.1% but less than 5%, the transactions contemplated under the Agreements and the Jinxiu Tiancheng Agreements are subject to reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Mo Jianhua, a non-executive Director, is a shareholder of Binjiang Real Estate, and has therefore abstained from voting on the Board resolution approving the transactions contemplated under the Agreements. Save as aforementioned, none of the other Directors have a material interest in the Agreements and no other Director has abstained from voting.

DEFINITIONS

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

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| “Agreements” | the Chunjiangyue Agreement, the Jinse Jiangnan Agreement, and the Jinse Liming Agreement |
| “Binjiang Sanhua” | Hangzhou Binjiang Sanhua Real Estate Development Co., Ltd.* (杭州濱江三花房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Binjiang Real Estate. It is a connected person of the Company as Binjiang Real Estate is controlled by Mr. Qi, one of the Company’s controlling shareholder |
| “Binjiang South Real Estate” | Hangzhou Binjiang South Real Estate Development Co., Ltd.* (杭州濱江南部房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Binjiang Real Estate. It is a connected person of the Company as Binjiang Real Estate is controlled by Mr. Qi, one of the Company’s controlling shareholder |
| “Binjiang Real Estate” | Hangzhou Binjiang Real Estate Group Co., Ltd.* (杭州濱江房產集團股份有限公司), a limited liability company established in the PRC, the shares of which are listed on the Shenzhen Small & Medium Enterprise Board of Stock Exchange (stock code: 002244). It is controlled by Mr. Qi, one of the Company’s controlling shareholder, and therefore a connected person of the Company |
| “Board” | the board of Directors |
| “China” or “PRC” | the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan |
| “Chunjiangyue Agreement” | the agreement dated November 18, 2019 entered into between Ningbo Binrun and Quzhou Real Estate pursuant to which Ningbo Binrun assumes the right to use the Chunjiangyue Car Parking Spaces and Chunjiangyue Storage Rooms |

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| “Chunjiangyue Car Parking Spaces” | the 40 parking spaces located in the Chunjiangyue Project |
| “Chunjiangyue Project” | Binjiang • Chunjiangyue District Project* (濱江 • 春江月小區項目), a residential project in Quzhou, China developed by Quzhou Real Estate |
| “Chunjiangyue Storage Rooms” | the 142 storage rooms located in the Chunjiangyue Project |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Jinse Jiangnan Agreement” | the agreement dated November 18, 2019 entered into between Ningbo Binrun and Binjiang South Real Estate pursuant to which Ningbo Binrun assumes the right to use the Jinse Jiangnan Car Parking Spaces and Jinse Jiangnan Storage Rooms |
| “Jinse Jiangnan Car Parking Spaces” | the 201 parking spaces located in the Jinse Jiangnan Project |
| “Jinse Jiangnan Project” | Jinse Jiangnan Project* (金色江南項目), a residential project in Hangzhou, China developed by Binjiang South Real Estate |
| “Jinse Jiangnan Storage Rooms” | the four storage rooms with a total gross floor area of 45.4 square metres located in the Jinse Jiangnan Project |
| “Jinse Liming Agreement” | the agreement dated November 18, 2019 entered into between Ningbo Binrun and Binjiang Sanhua pursuant to which Ningbo Binrun assumes the right to use the Jinse Liming II Car Parking Spaces, Jinse Liming II Storage Rooms and Jinse Liming III Storage Rooms |
| “Jinse Liming II Car Parking Spaces” | the two parking spaces located in the Jinse Liming Project |

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| “Jinse Liming Project” | Jinse Liming Project* (金色黎明項目), a residential project in Hangzhou, China developed by Binjiang Sanhua |
| “Jinse Liming II Storage Rooms” | the 62 storage rooms with a total gross floor area of 832.02 square metres located in the Jinse Liming Project |
| “Jinse Liming III Storage Rooms” | the 20 storage rooms with a total gross floor area of 261.87 square metres located in the Jinse Liming Project |
| “Jinxiu Tiancheng” | Zhejiang Jinxiu Tiancheng Real Estate Co., Ltd.* (浙江錦繡天成置業有限公司), a company established in the PRC with limited liability, was owned as to 51% by Binjiang Real Estate, 39% by Hebei Tiancheng Real Estate Development Co., Ltd.* (河北天成房地產開發有限公司) and 10% by Hebei Rongtong Real Estate Co., Ltd.* (河北融投置業有限公司) at the time of entry to the Jinxiu Tiancheng Agreements. It was a connected person of the Company at the time of entry to the Jinxiu Tiancheng Agreements as Binjiang Real Estate is controlled by Mr. Qi, one of the Company’s controlling shareholder. As at the date of this announcement, Binjiang Real Estate no longer holds any interest in Jinxiu Tiancheng. |
| “Jiuxiu Tiancheng Agreements” | the agreements entered into between Ningbo Binrun and Jinxiu Tiancheng as disclosed in the announcement of the Company dated May 17, 2019 |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Qi” | Mr. Qi Jinxing (戚金興), one of the Company’s controlling shareholder |
| “Ningbo Binrun” | Ningbo Binrun Property Service Co., Ltd* (寧波濱潤物業服務有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Projects” | the Chunjiangyue Project, the Jinse Jiangnan Project and the Jinse Liming Project |

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| “Quzhou Real Estate” | Hangzhou Binjiang Real Estate Group Quzhou Real Estate Co., Ltd.* (杭州濱江房產集團衢州置業有限公司), a company established in the PRC with limited liability and wholly-owned by Binjiang Real Estate. It is a connected person of the Company as Binjiang Real Estate is controlled by Mr. Qi, one of the Company’s controlling shareholder |
| “RMB” | Renminbi, the lawful currency of the People’s Republic of China |
| “Share(s)” | ordinary share(s) of US\$0.0001 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

By order of the Board
Binjiang Service Group Co. Ltd.
Zhu Lidong
Chairman and Executive Director

Hangzhou, the PRC
November 18, 2019

As at the date of this announcement, the Board comprises Mr. Zhu Lidong and Ms. Zhong Ruoqin as executive Directors; Mr. Mo Jianhua and Mr. Cai Xin as non-executive Directors; Mr. Ding Jiangang, Mr. Li Kunjun and Ms. Cai Haijing as independent non-executive Directors.

* *For identification purpose only*