

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 May 17, 2019, Ningbo Binrun and Jinxiu Tiancheng entered into the Agreements. Pursuant to the Storage Room Agreement, Ningbo Binrun agreed to assume the right to use the Storage Rooms from Jinxiu Tiancheng for a consideration of approximately RMB7,216,900. Pursuant to the Car Park Agreement, Ningbo Binrun agreed to assume the right to use the Car Parking Spaces from Jinxiu Tiancheng for a consideration of approximately RMB15,565,500. The Storage Rooms and the Car Parking Spaces are both located in residential development projects developed by Jinxiu Tiancheng.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Ningbo Binrun is an indirect wholly-owned subsidiary of the Company. Jinxiu Tiancheng is owned as to 51% by Binjiang Real Estate. Binjiang Real Estate is controlled by Mr. Qi, one of the Company's controlling shareholder. Therefore, Jinxiu Tiancheng is a connected person of the Company. As such, the Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the Agreements are entered into with the same connected person and are of a similar nature, the Agreements shall be aggregated under Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio for the Company in respect of the Agreements and the transactions contemplated thereunder is more than 0.1% but less than 5%, the Agreements and the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On May 17, 2019, Ningbo Binrun and Jinxiu Tiancheng entered into the Agreements. Pursuant to the Storage Room Agreement, Ningbo Binrun agreed to assume the right to use the Storage Rooms from Jinxiu Tiancheng for a consideration of approximately RMB7,216,900. Pursuant to the Car Park Agreement, Ningbo Binrun agreed to assume the right to use the Car Parking Spaces from Jinxiu Tiancheng for a consideration of approximately RMB15,565,500. The Storage Rooms and the Car Parking Spaces are both located in residential development projects developed by Jinxiu Tiancheng.

## **THE STORAGE ROOM AGREEMENT**

### **Date**

May 17, 2019

### **Parties**

- (a) Ningbo Binrun as the assignee; and
- (b) Jinxiu Tiancheng as the assignor.

### **Right to be assumed by Ningbo Binrun**

The right to use (which includes the right to occupy, assign or rent out) the Storage Rooms, being 82 storage rooms with a total gross floor area of 721.69 square meters located in the Project, until the expiry of the land use rights of the Project on December 1, 2083.

### **Consideration**

The consideration under the Storage Room Agreement of approximately RMB7,216,900 was determined after arm's length negotiations between Ningbo Binrun and Jinxiu Tiancheng, having taken into account, among other things, the prevailing market prices of storage spaces located near the Project.

### **Payment and Completion**

The consideration under the Storage Room Agreement will be funded by internal resources of the Company and shall be payable in cash within 10 days of the date of the Storage Room Agreement and completion of the Storage Room Agreement shall take place on the same day upon payment of consideration.

# **THE CAR PARK AGREEMENT**

## **Date**

May 17, 2019

## **Parties**

- (a) Ningbo Binrun as the assignee; and
- (b) Jinxiu Tiancheng as the assignor.

## **Right to be assumed by Ningbo Binrun**

The right to use (which includes the right to occupy, assign or rent out) the Car Parking Spaces, being 93 parking spaces located in the Project, until the expiry of the land use rights of the Project on December 1, 2083.

## **Consideration**

The consideration under the Car Park Agreement of approximately RMB15,565,500 was determined after arm's length negotiations between Ningbo Binrun and Jinxiu Tiancheng, having taken into account, among other things, the prevailing market prices of car parking spaces located near the Project.

## **Payment and Completion**

The consideration under the Car Park Agreement will be funded by internal resources of the Company and shall be payable in cash within 10 days of the date of the Car Park Agreement and completion of the Car Park Agreement shall take place on the same day upon payment of consideration.

## **REASONS FOR AND BENEFITS OF THE AGREEMENTS**

As the development of the Project is almost complete and the sales department of Binjiang Real Estate will be moving out from the location of the Project upon its completion, it is more convenient for the Group, being the provider of ongoing property management services to the residential owners of the Project, to take over the assignment and leasing of the right to use the Car Parking Spaces and Storage Rooms to residential owners. The Company considers that there will be steady demands for storage rooms and car parking spaces by the owners of the residential units in the Project as the storage rooms and the car parking spaces to residential unit ratios for the Project is approximately 1:0.21 and 1:1.29 respectively. As such, the rights assumed by the Group under the Agreements would provide a good opportunity for the Group to monetize the right to use the Storage Rooms and the Car Parking Spaces as well as to 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 December 31, 2018, there were no development costs allocated to the relevant Car Parking Spaces and Storage Rooms, book value or relevant original acquisition cost, as such assets were developed by Jinxiu Tiancheng.

## **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 May 14, 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.

Jinxiu Tiancheng is a company established in the PRC with limited liability and is 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). Binjiang Real Estate is controlled by Mr. Qi, one of the Company's controlling shareholder. Jinxiu Tiancheng is principally engaged in the business of property development and is the developer of the Project.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Binrun is an indirect wholly-owned subsidiary of the Company. Jinxiu Tiancheng is owned as to 51% by Binjiang Real Estate. Binjiang Real Estate is controlled by Mr. Qi, one of the Company's controlling shareholder. Therefore, Jinxiu Tiancheng is a connected person of the Company. As such, the Agreements constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

As the Agreements are entered into with the same connected person and are of a similar nature, the Agreements shall be aggregated under Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio for the Company in respect of the Agreements and the transactions contemplated thereunder is more than 0.1% but less than 5%, the Agreements and the transactions contemplated thereunder are subject to reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

None of the Directors is required to abstain from voting on the Board resolution approving the transactions contemplated under the Agreements as none of them has a material interest in the Agreements.

## DEFINITIONS

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

“Agreements”	the Car Park Agreement and the Storage Room Agreement
“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
“Car Parking Spaces”	the 93 car parking spaces located in the Project
“Car Park Agreement”	the agreement dated May 17, 2019 entered into between Ningbo Binrun and Jinxiu Tiancheng pursuant to which Ningbo Binrun assumes the right to use the Car Parking Spaces

“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jinxu Tiancheng”	Zhejiang Jinxu 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 and 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 Rongtou Real Estate Co., Ltd.* (河北融投置業有限公司). It is a connected person of the Company as Binjiang Real Estate is controlled by Mr. Qi, one of the Company’s controlling shareholder
“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
“Project”	Binjiang • Jinxu City Project* (濱江•錦繡之城項目), a residential project in Hangzhou, China developed by Jinxu Tiancheng and to be managed by the Group
“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
“Storage Rooms”	the 82 storage rooms with a total gross floor area of 721.69 square meters located in the Project
“Storage Room Agreement”	the agreement dated May 17, 2019 entered into between Ningbo Binrun and Jinxiu Tiancheng pursuant to which Ningbo Binrun assumes the right to use the Storage Rooms
“%”	per cent.

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

Hangzhou, the PRC  
May 17, 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*