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## **Beijing Capital Jiaye Property Services Co., Limited**

**北京京城佳業物業股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2210)**

### **CONNECTED TRANSACTION ACCEPTANCE OF TRANSFER OF PARKING SPACE RIGHT-OF-USE TO OFFSET OUTSTANDING RECEIVABLES**

#### **OFFSET AGREEMENT**

On 25 September 2024, Chengcheng Property (a wholly-owned subsidiary of the Company) and the Seller entered into the Offset Agreement, pursuant to which the Seller will transfer the right of use in the Target Parking Spaces to Chengcheng Property in order to offset part of the Outstanding Receivables totalling RMB7,580,962.00.

#### **IMPLICATIONS OF THE LISTING RULES**

As at the date of this announcement, the Seller is owned as to 49% by BUCID, therefore the Seller is a connected person of the Company, and the Transaction under the Offset Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Transaction under the Offset Agreement is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements, but exempted from independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

#### **I. INTRODUCTION**

The Board is pleased to announce that on 25 September 2024, Chengcheng Property (a wholly-owned subsidiary of the Company) and the Seller entered into the Offset Agreement, pursuant to which the Seller will transfer the right of use in the Target Parking Spaces to Chengcheng Property in order to offset part of the Outstanding Receivables totalling RMB7,580,962.00.

## **II. OFFSET AGREEMENT**

The major terms of the Offset Agreement are set out below:

### **Date**

25 September 2024

### **Parties**

- (1) Chengcheng Property; and
- (2) the Seller

### **Subject Matter**

Pursuant to the Offset Agreement, Chengcheng Property agreed that the Seller will settle RMB7,580,962.00 out of the Outstanding Receivables by way of transferring the right of use in the Target Parking Spaces to Chengcheng Property at a consideration of RMB7,580,962.00.

### **Outstanding Receivables**

Based on the 2021 Property Management Services Framework Agreement, Chengcheng Property and the Seller entered into the Property Services Contract, pursuant to which Chengcheng Property was entrusted by the Seller to provide preliminary property services for the properties developed by the Seller for a period from 1 May 2022 to 31 December 2023. Pursuant to the Property Services Contract, the property service fees payable by the Seller to Chengcheng Property as of 31 December 2023 and outstanding as at the date of this announcement is RMB10,941,247.48. Out of the aforesaid Outstanding Receivables, RMB7,580,962.00 will be settled through the Transaction contemplated under the Offset Agreement and the remaining amount of RMB3,360,285.48 of the Outstanding Receivables will be paid by the Seller in cash within 15 days after the completion of the delivery of the Target Parking Spaces.

### **Consideration and Payment**

The total consideration of RMB7,580,962.00 for the transfer of the right of use in the Target Parking Spaces under the Offset Agreement was determined after arm's length negotiations between the parties with reference to (i) the book value of the Target Parking Spaces as at 31 July 2024 of RMB8,093,462.97; and (ii) the market value of the Target Parking Spaces as at 31 July 2024 of RMB7,611,400.00, as valued by Beijing Zhongda Xincheng Asset Appraisal Firm (General Partnership)\* (北京中達信誠資產評估事務所(普通合夥)), an independent professional valuer in the PRC.

## **Delivery**

The Offset Agreement shall become effective upon execution and after consideration and approval by the Board of the Company. The Seller shall deliver the Target Parking Spaces to Chengcheng Property within seven business days from the effective date of the Offset Agreement. Before and after the delivery, the Seller shall not create any encumbrances such as mortgage or other rights over the Target Parking Spaces, otherwise all the losses resulting therefrom to Chengcheng Property shall be borne by the Seller.

Upon completion of the Transaction under the Offset Agreement, Chengcheng Property shall have the right of occupation, use, income and other lawful operation and management of the Target Parking Spaces. Chengcheng Property may sell the Target Parking Spaces to third parties. The end buyers of the Target Parking Spaces shall directly transfer the sales proceeds of the parking spaces into the bank accounts of Chengcheng Property, and the Seller shall assist Chengcheng Property to complete the online execution procedures and execute the relevant contracts with the end buyers of the Target Parking Spaces, and to handle matters such as the issuance of special/general value-added tax invoices to the end buyers of the Target Parking Spaces. Meanwhile, Chengcheng Property may lease the Target Parking Spaces to external parties, and the rental income therefrom shall belong to Chengcheng Property.

### **III. INFORMATION ON THE PARTIES AND THE TARGET PARKING SPACES**

#### **Chengcheng Property**

Chengcheng Property is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company. It is principally engaged in the provision of property management services in the PRC.

#### **The Seller**

The Seller is a limited liability company incorporated in the PRC, with its principal business activities including real estate development, sales of self-developed commodity housings and other businesses. As at the date of this announcement, the Seller is owned as to 51% by Seazen Holdings Co., Ltd.\* (新城控股集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601155)) indirectly through its subsidiary and is the ultimate beneficial owner of the Seller. The remaining 49% equity interest in the Seller is directly held by BUCID (a company listed on the Shanghai Stock Exchange (stock code: 600266)). As at the date of this announcement, BUCID holds 33.47% equity interest in the Company and is one of the controlling Shareholders of the Company and a non-wholly-owned subsidiary of BUCG.

#### **The Target Parking Spaces**

The Target Parking Spaces are a total of 38 titled parking spaces with a gross floor area of 1,591.51 square meters located at the Shunyi Guoyu Mansion (順義國譽府) project in Beijing, the PRC. As at the date of this announcement, the Target Parking Spaces are held by the Seller. There is no original acquisition cost for the Target Parking Spaces as they form part of the property project developed by the Seller.

As at 31 July 2024, the book value of the Target Parking Spaces is RMB8,093,462.97. No rental income has been previously generated by the Target Parking Spaces.

#### **IV. REASONS FOR AND BENEFITS OF ENTERING INTO THE OFFSET AGREEMENT**

Since the second half of 2022, there have been delays in the settlement of receivables from the Seller, which, as far as the Group understands, was mainly due to the fact that the Seller has been adversely affected by various factors such as the macroeconomic environment, the sluggish real estate market as well as the tightening credit and liquidity. After continuous communication and follow-up between the Group and the Seller, and the exploration of different measures to recover the Outstanding Receivables, both parties agreed to transfer the right of use in the Target Parking Spaces to the Group to settle part of the Outstanding Receivables due from the Seller.

Upon completion of the transfer of the right of use in the Target Parking Spaces pursuant to the Offset Agreement, the right of use in the Target Parking Spaces will be recognized as right-of-use assets of the Group on the date of delivery. Chengcheng Property shall have the right of occupation, use, income and other lawful operation and management of the Target Parking Spaces. The Group intends to hold the Target Parking Spaces for leasing or transferring to third parties in exchange for cash. Under the terms of the Offset Agreement, in the event that Chengcheng Property sells the Target Parking Spaces to third parties, the sales proceeds of the Target Parking Spaces shall be directly transferred into the bank accounts of Chengcheng Property, and the Seller shall assist to complete procedures such as the transfer of title until the sales of all the Target Parking Spaces are completed. Meanwhile, Chengcheng Property may lease the Target Parking Spaces to external parties, and the rental income therefrom shall belong to Chengcheng Property. The Group's accounts receivables will decrease by approximately RMB7,580,962.00 as the consideration payable by Chengcheng Property under the Offset Agreement shall be offset against the Outstanding Receivables on a dollar-for-dollar basis.

In view of the above factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Offset Agreement are fair and reasonable and are on normal commercial terms or better, and that, whilst the Transaction contemplated under the Offset Agreement is not entered into in the ordinary and usual course of business of the Group, the Transaction contemplated under the Offset Agreement is in the interests of the Company and the Shareholders as a whole.

#### **V. IMPLICATIONS OF THE LISTING RULES**

As at the date of this announcement, the Seller is owned as to 49% by BUCID, therefore the Seller is a connected person of the Company, and the Transaction under the Offset Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the Transaction under the Offset Agreement is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements, but exempted from independent shareholders' approval requirement, under Chapter 14A of the Listing Rules.

None of the Directors has any material interests in the Transaction contemplated under the Offset Agreement. However, as each of Ms. Jiang Xin, Mr. Mao Lei, and Mr. Li Zuoyang (all being Directors) holds office in BUCG or its associates, they have abstained from voting on the Board resolution in relation to the above connected transaction.

## VI. DEFINITION

“2021 Property Management Services Framework Agreement”	the property management services framework agreement entered into by and between the Company and BUCG on 11 October 2021, with a term from the listing date (i.e. 10 November 2021) to 31 December 2023
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“BUCG”	Beijing Urban Construction Group Co., Ltd.*(北京城建集團有限責任公司), a limited liability company incorporated in the PRC and a controlling Shareholder of the Company, holding, directly and indirectly, approximately 74.15% of the total issued share capital of the Company as at the date of this announcement
“BUCID”	Beijing Urban Construction Investment & Development Co., Ltd.*(北京城建投資發展股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600266)
“Chengcheng Property”	Beijing Chengcheng Property Management Co., Ltd.* (北京城承物業管理有限責任公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Company”	Beijing Capital Jiaye Property Services Co., Limited, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offset Agreement”	the supplier property offset agreement and memorandum dated 25 September 2024 entered into by and between Chengcheng Property and the Seller, pursuant to which the Seller will transfer the right of use in the Target Parking Spaces to Chengcheng Property to offset part of the Outstanding Receivables

“Outstanding Receivables”	the property service fees payable by the Seller to Chengcheng Property as of 31 December 2023 and outstanding as at the date of this announcement in the total amount of RMB10,941,247.48 pursuant to the Property Services Contract
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan
“Property Services Contract”	the property services contract entered into by and between Chengcheng Property and the Seller for 2022 and 2023 respectively based on the 2021 Property Management Services Framework Agreement, pursuant to which Chengcheng Property was entrusted by the Seller to provide preliminary property services for the properties developed by the Seller
“RMB”	Renminbi, the lawful currency of the PRC
“Seller”	Beijing Xincheng Jinjun Real Estate Development Co., Ltd.*(北京新城金郡房地產開發有限公司), a limited liability company incorporated in the PRC and a connected person of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Parking Spaces”	a total of 38 titled parking spaces located at the Shunyi Guoyu Mansion (順義國譽府) project, No. 6 Kun’an Road and No. 1 Machang East Road, Shunyi District, Beijing, the PRC
“Transaction”	the transaction in relation to the transfer of the right of use in the Target Parking Spaces by the Seller to Chengcheng Property to offset part of the Outstanding Receivables in accordance with the terms and conditions of the Offset Agreement
“%”	per cent

By order of the Board  
**Beijing Capital Jiaye Property Services Co., Limited**  
**Zhang Weize**  
*Chairman*

Beijing, the PRC  
25 September 2024

*As at the date of this announcement, the Board consists of Mr. Zhang Weize, Mr. Yang Jun and Mr. Luo Zhou as executive Directors, Ms. Jiang Xin, Mr. Mao Lei and Mr. Li Zuoyang as non-executive Directors, and Mr. Cheng Peng, Mr. Kong Weiping and Mr. Kong Chi Mo as independent non-executive Directors.*

\* For identification purposes only