
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Times Neighborhood Holdings Limited, you should at once hand this circular and the accompanying proxy form and reply slip to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CONTINUING CONNECTED TRANSACTIONS
&
NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders



A letter from the Board is set out on pages 5 to 18 of this circular. A letter from the Independent Board Committee is set out on page 19 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 33 of this circular.

A notice convening the EGM to be held at Suites 3905-3908, 39th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at 2:00 pm on 9 December 2021 is set out on pages EGM-1 to EGM-3 of this circular at which an ordinary resolution will be proposed to approve the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps).

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you propose to attend the EGM, you are requested to complete the accompanying form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so desire.

PRECAUTIONARY MEASURES AND SPECIAL ARRANGEMENTS FOR THE EGM

Please refer to page 1 of this circular for measures being implemented at the EGM to try to prevent and control the spread of the novel coronavirus ("COVID-19"), including, without limitation:

- all attendees being required to (a) undergo body temperature screening; and (b) wear surgical masks prior to admission to the EGM venue;
- all attendees who are subject to health quarantine prescribed by the Hong Kong Government not being admitted to the EGM venue;
- all attendees being required to wear surgical masks throughout the EGM;
- appropriate seating arrangement being implemented; and
- no distribution of corporate gift or refreshment.

The Company reminds attendees that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances. Furthermore, the Company would like to remind the Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising their voting rights and strongly recommends that Shareholders appoint the chairman of the EGM as their proxy and submit their form of proxy as early as possible. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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PRECAUTIONARY MEASURES FOR THE EGM

The health of our Shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue;
- (ii) Each attendee may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the EGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue;
- (iii) All attendees are required to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats; and
- (iv) No refreshment will be served, and there will be no corporate gift.

To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In addition, the Company reminds all Shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution at the meeting instead of attending the meeting in person, by completing and return the proxy form attached to this circular.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong.

If any Shareholder has any question relating to the meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong as follow:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

DEFINITIONS

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

“Announcement”	the announcement dated 16 November 2021 made by the Company in relation to the Continuing Connected Transactions Agreement and the transactions contemplated thereunder
“Asiaciti Enterprises”	Asiaciti Enterprises Ltd. (豐亞企業有限公司), a company incorporated in the British Virgin Islands with limited liability
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Best Source”	Best Source Ventures Limited (卓源創投有限公司), a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of the Company
“Company”	Times Neighborhood Holdings Limited (時代鄰里控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 9928)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“East Profit”	East Profit Management Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Ms. Li
“Effective Date”	the date of approval by the Independent Shareholders and the independent shareholders of Times China at the EGM and the Times China EGM respectively
“EGM”	the extraordinary general meeting of the Company proposed to be convened for the approval of the CCT Agreement and the transactions contemplated thereunder

DEFINITIONS

“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the CCT Agreement (including the proposed annual caps)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors
“Independent Shareholders”	the Shareholders other than Mr. Bai, Best Source and its associates
“Independent Third Parties”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with the Company or any of its connected persons
“Latest Practicable Date”	16 November 2021, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Bai”	Mr. Bai Xihong (白錫洪), a non-executive Director
“Mr. Shum”	Mr. Shum Chiu Hung, the ultimate controlling shareholder of the Company
“Ms. Li”	Ms. Li Yiping, spouse of Mr. Shum
“PRC”	the People’s Republic of China
“Renowned Brand”	Renowned Brand Investments Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Shum

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Services”	(i) value-added services to non-property owners (including construction site management services, sales assistance services and pre-delivery cleaning services); (ii) property management services; (iii) car parking lots leasing management services; (iv) sale, installation and maintenance of elevators; (v) instalment of internet services; and (vi) intelligent engineering services
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Reach”	Super Reach Ventures Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to (a) 60% by Renowned Brand and in turn wholly owned by Mr. Shum, and (b) 40% by East Profit and in turn wholly owned by Ms. Li
“Times China”	Times China Holdings Limited (時代中國控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1233)
“Times China EGM”	the extraordinary general meeting of Times China proposed to be convened for the approval of the CCT Agreement and the transactions contemplated thereunder
“Times China Group”	Times China and its subsidiaries
“%”	per cent.

LETTER FROM THE BOARD



Times Neighborhood Holdings Limited

時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9928)

The Board of Directors:

Executive Directors:

Ms. Wang Meng

Mr. Yao Xusheng

Ms. Xie Rao

Ms. Zhou Rui

Non-Executive Directors:

Mr. Bai Xihong (*Chairman*)

Mr. Li Qiang

Independent Non-executive Directors:

Mr. Lui Shing Ming, Brian

Dr. Wong Kong Tin

Dr. Chu Xiaoping

Registered office:

71 Fort Street

PO Box 500

George Town

Grand Cayman

KY1-1106

Cayman Islands

*Head office and principal place
of business in the PRC:*

1103, 11th Floor

410 Dongfeng Middle Road

Yuexiu District, Guangzhou

Guangdong Province

PRC

*Principle place of business
in Hong Kong:*

Suites 3905-3908, 39th Floor

Two Exchange Square

8 Connaught Place

Central

Hong Kong

22 November 2021

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps); (ii) a letter of recommendation from the Independent Board Committee in relation to the CCT Agreement and transactions contemplated thereunder (including the proposed annual caps); (iii) a letter of advice from Gram Capital to the Independent Board Committee; and (iv) a notice convening the EGM.

LETTER FROM THE BOARD

THE CCT AGREEMENT

On 16 November 2021, the Company entered into the CCT Agreement with Times China in relation to the provision of the Services by the Group to the Times China Group and its associated companies.

Principal terms

The principal terms of the CCT Agreement are set out below.

Subject matters

The Group agreed to provide the Services to the Times China Group and its associated companies.

Term

The CCT Agreement shall become effective on the Effective Date conditional upon the Independent Shareholders and the independent shareholders of Times China having approved the relevant ordinary resolution at the EGM and the Times China EGM respectively. The term shall commence from 1 January 2022 until 31 December 2024.

Pricing

The fees will be determined after arm's length negotiations with reference to (i) the prevailing market price (taking into account the location and the conditions of the property, the scope of the services and the anticipated operation costs including but not limited to labor costs, administration costs and costs of materials) charged by the Group for providing similar services to Independent Third Parties; and (ii) the guidance price of the Services for similar type of development projects issued by the local government (if applicable). The fees shall not be higher than the standard fees approved by the state pricing regulatory authorities (if applicable) and not lower than the fees charged by the Group to Independent Third Parties in any event.

The pricing policies under each of the different type of Services to be offered by the Group are as follows:

- (a) For valued-added services to non-property owners, the Group generally prices by taking into account a number of factors, including the services required, period of agreement, cost of sales, the local market conditions and the nature and requirements of individual properties:

- (i) *Construction site management services*

- Based on the requests from the Times China Group, the Group will make bids/quotations after taking into account factors including, prevailing market prices, technical skills and know-how required and the Group's costs of services (including the manpower required for construction and the installation procedures requirement based on the construction blueprints of the relevant projects);

LETTER FROM THE BOARD

(ii) Sales assistance services

The service fee shall be determined with reference to various factors including the market prices and the Group's costs of services (including but not limited to labour costs and sales material costs) plus reasonable management fees. In determining the market price in a particular region, the Group will take into account (a) the level of fees charged by the Group for other projects in the same region of similar scale; (b) the number of staff members needed; (c) whether the staff is required to have any specific skill or qualification; (d) the applicable minimum wage in the same region; and (e) the costs of deploying local staff members of the Group;

(iii) Pre-delivery cleaning services

The service fee shall be determined with reference to various factors including the market prices and the Group's costs of services (including but not limited to labour costs and cleaning equipment costs) plus reasonable management fees. In determining the market price in a particular region, the Group will take into account (a) the level of fees charged by the Group for other projects in the same region of similar scale; (b) the number of staff members needed; (c) whether the staff is required to have any specific training; (d) the applicable minimum wage in the same region; and (e) the costs of deploying local staff members of the Group;

- (b) For property management services, the Group generally prices by taking into account a number of factors, including (i) the type and location of properties; (ii) the Group's budgeted costs; (iii) the contracted scope of services and standard; (iv) the Group's brand recognition in the cities; (v) local government policies and pricing guidance (if applicable); (vi) the property management fee charged by preceding property management service providers if applicable; and (vii) future profitability after taking into consideration the increase in labor cost in the foreseeable future. In particular, the fees charged by property management companies nationwide are regulated by the price administration department and construction administration department of the State Council. The price administration department of the local people's governments above the county level and the competent property administration departments at the same level are responsible for regulating the fees charged by property management companies in their respective administrative regions. Therefore, different administrative regions may have different government guidance prices for different types of properties and service standards and local government policies and pricing guidance apply to most of the preliminary property management service agreements entered into between the property developers and the Group at the preliminary stage.

LETTER FROM THE BOARD

- (c) For car parking lots leasing management services, the parties shall negotiate the approaches for settlement of the parking lots leasing management services based on the then market conditions of local parking lots leasing management services. The adoption of agency commission approach or exclusive distribution approach depends on arm's length negotiation between the parties.
- (d) For the sale, installation and maintenance of elevators services, service fee shall be determined by arm's length negotiation between the parties after taking into account various factors including the costs of staff deployed by the Group and reasonable management costs. In determining the market price in a particular region, the Group will take into account (a) the location and conditions of the elevators and the properties; (b) the purchasing cost of the elevators and the anticipated operational costs including labour costs and material costs; and (c) the costs of deploying local staff members of the Group.
- (e) For instalment of internet services, service fee shall be determined by arm's length negotiation between the parties after taking into account various factors including the costs of staff deployed by the Group and reasonable management costs. In determining the market price in a particular region, the Group will take into account (a) the location and conditions of the relevant properties; (b) the purchasing cost of the internet connection materials and the anticipated operational costs including labour costs and material costs; and (c) the costs of deploying local staff members of the Group.
- (f) For intelligent engineering services, the Group will make bids/quotations after taking into account factors including, prevailing market prices, technical skills and know-how required and the Group's costs of services (including the manpower required for intelligent engineering work for the relevant projects).

Payment

The credit term for the fee payable by the Times China Group and its associated companies in relation to the Services is 30 days in general, in line with the credit term provided to Independent Third Parties.

LETTER FROM THE BOARD

Historical transaction amounts

The historical transaction amounts received by the Group and its associated companies for the provision of the relevant services for the three years ended 31 December 2020 and the eight months ended 31 August 2021 amounted to RMB238,387,000, RMB331,810,000, RMB543,344,000 and RMB321,717,000, respectively. Set out below is the breakdown of such historical amounts:

	For the year ended 31 December			For the eight months ended
	2018	2019	2020	31 August 2021
	<i>(RMB'000)</i>			
Value-added services to non-property owners (including construction site management services, sales assistance services, pre-delivery cleaning services and preliminary planning and design consultancy services at pre-delivery stage)	187,552	247,683	399,047	211,445
Property management services	30,569	53,288	77,375	45,973
Car parking lots leasing management services	4,102	4,068	4,975	4,000
Sale, installation and maintenance of elevators	9,681	25,333	30,501	9,139
Instalment of internet services	789	591	10,958	12,654
Intelligent engineering services	5,694	847	20,488	38,506
Total	<u>238,387</u>	<u>331,810</u>	<u>543,344</u>	<u>321,717</u>

At the time of the Company's initial public offering, the Company projected the proposed annual caps for the two years ending 31 December 2021 primarily by referencing to the relevant historical transactions for the three years ended 31 December 2018 and for the period ended 30 June 2019.

The development of the property services industry is very rapid and the industry players are actively exploring new opportunities and business models in recent years. After the listing, the Company has focused on the development of diversified value-added services and achieved a sizable business expansion. The Company has diversified and promoted more value-added services to non-property owners and instalment of internet services to its customers since 2020.

LETTER FROM THE BOARD

Notwithstanding that the historical transaction amount for the provision of the services since the financial year ended 31 December 2018 covered both the Company's previous continuing connected transactions with Times China and Asiaciti Enterprises and they were covered by two separate continuing connected transaction agreements entered into (i) between Asiaciti Enterprises (the controlling shareholder of Times China) and the Company; and (ii) between Times China and the Company, the Group has reviewed the historical transactions thereunder, and noted the services were ultimately taken up by the Times China Group and its associated companies. Therefore, the Company considers that it is no longer necessary to enter into an agreement with Asiaciti Enterprises for the year 2021 onwards. The proposed new grouping of the Services under an agreement directly with Times China would reduce unnecessary legacy bureaucracy and enhance operational efficiency.

Proposed annual caps

The annual caps for the fee to be paid by the Times China Group and its associated companies for the three years ending 31 December 2024 will not exceed RMB1,220,000,000, RMB1,680,000,000, and RMB2,150,000,000, respectively.

The above proposed annual caps were determined after having taken into account of the following factors:

- (a) the estimated breakdown of the Services is set out below:

	For the year ending 31 December		
	2022	2023	2024
	<i>(RMB' 000)</i>		
Value-added services to non-property owners	818,524	1,173,254	1,514,320
Property management services	113,000	116,400	121,680
Car parking lots leasing management services	7,000	7,000	7,000
Sale, installation and maintenance of elevators	162,000	252,000	352,800
Instalment of internet services	12,410	11,858	11,400
Intelligent engineering services	107,066	119,488	142,800
Total	1,220,000	1,680,000	2,150,000

LETTER FROM THE BOARD

- (b) the estimated breakdown of the value-added services to non-property owners is set out below:

	As at 31 December		
	2022	2023	2024
	<i>(RMB'000)</i>		
Value-added services to non-property owners	818,524	1,173,254	1,514,320
– Construction site management services	36,000	39,600	44,000
– Sales assistance services	744,524	1,091,654	1,424,120
– Pre-delivery cleaning services	38,000	42,000	46,200

- (c) The estimated demand for the property management and related services (excluding the sales agency services under the sales assistance services) is determined with reference to (1) the area of projects expected to be delivered by the Times China Group; (2) the number of entrusted management projects; and (3) the unit price level of projects. As at 30 June 2021, the Group operated 122 projects under development or for sale of the Times China Group with the area of projects under management of approximately 22.6 million sq.m., representing a year-on-year increase of approximately 14.7%. It is expected that the service fees derived from the provision of property management services to the Times China Group will increase.
- (d) The estimated demand for the sales agency services under the sales assistance services is determined with reference to (1) the estimated value of properties/car parking lots for sale; (2) the number of properties/car parking lots expected to be sold; and (3) the estimated commission rate. As at 30 June 2021, commission income from sales agency services amounted to RMB135 million, representing a year-on-year increase of approximately 12.9%. It is expected that the commission income derived from the provision of sales agency services to the Times China Group will increase.
- (e) In respect of the sale, installation and maintenance of elevators, instalment of internet services and intelligent engineering services provided by the Group to the Times China Group, certain contracts have been entered into. It is expected that the transaction amounts for the year 2021 will be approximately RMB86.2 million, RMB12.4 million and RMB100.6 million, respectively.

LETTER FROM THE BOARD

For the sale, installation and maintenance of elevators, the Group expects that (1) there will be about 50 to 60 projects with a contract value ranging from RMB1 million to RMB3 million, which is an assumption on the basis that such number of projects will be delivered as scheduled (in the case of sale and installation of elevators) and the forecast about the projects currently managed by the Company (in the case of the relevant projects of maintenance services); (2) the price is in line with the prevailing market prices for contracts of projects with similar scale; and (3) there will be no significant changes in the costs involved in the provision of such services, including the location and condition of the property, elevator purchase costs and expected operating costs (including labor costs and material costs).

In respect of the estimated amount of sale, installation and maintenance of elevators for the year ending 31 December 2021, (i) the transaction amount of such services for the eight months ended 31 August 2021, which was around RMB9.1 million; and (ii) the value of contracts signed/estimated to be signed from September to December of 2021, which expects around RMB77.1 million, accounting for approximately 89.4% of the estimated transaction amount of around RMB86.2 million in 2021.

Compared with the historical record for the year ended 31 December 2020, the transaction amount of sale, installation and maintenance of elevators in the last two months of 2020 accounted for over 80% of the total transaction amount of 2020. It can be seen that this type of transaction is generally recorded in the last few months of each year, which is normal and reasonable.

- (f) For the instalment of internet services and intelligent engineering services, the estimated transaction amounts of the Group are calculated with reference to the following: (1) the estimated GFA to be delivered in the next three years; (2) the estimated proportion of the intelligent engineering services provided by the Group to the Times China Group; and (3) the unit cost per sq.m. of the intelligent engineering services.
- (g) According to the public information disclosed by the Times China Group, as at 30 June 2021, the Times China Group had total land reserves of approximately 21.7 million sq.m. and GFA available for sale of approximately 1.58 million sq.m., which will be sufficient to support its development need for the next three years. The increasing land reserves of the Times China Group will have a positive and direct impact on the property projects of Times China to be sold and delivered to property owners in 2022, 2023 and 2024. On such basis, it is expected that the demand for the Group's property management services and other services will increase in the next three years.
- (h) the Group's performance and the transactions amounts of the Services in recent years.

LETTER FROM THE BOARD

INTERNAL CONTROL

The Group will adopt the following internal control measures in connection with the continuing connected transactions:

- (a) the finance department will review and examine the relevant pricing terms before entering into every specific agreement by collecting the relevant market information, reviewing and comparing the historical and current quotations to Independent Third Parties providing similar services to ensure that the terms of such transactions are fair and reasonable and no more favourable to the connected persons than those charged to Independent Third Parties;
- (b) the finance department will take proper records of the actual transaction amounts and will review the aggregate transaction amounts on a monthly basis. To ensure that the annual caps will not be exceeded, the finance department will alert the management team the aggregate transaction amounts on a monthly basis. If the actual aggregate transaction amount reaches 50% threshold of the proposed annual caps, or if the business operation department and finance department expect that the relevant business operations will expand and may use up a substantial part of the annual caps in short run, the matter shall promptly be escalated to the senior management of the Company. The senior management of the Company will assess if there is a need to revise the existing annual caps, coordinate and conclude the decision, and if so, revise the annual caps in accordance with the relevant internal procedures of the Company and re-comply with the requirements under the Listing Rules;
- (c) the Group will implement internal checks to ensure that the procedures of the connected transactions will conform with the internal control system of the Group, the annual caps will be complied with and that pricing is consistent with the principal terms and conditions of the CCT Agreement by random inspection of the pricing terms, payment arrangements and actual transaction amounts;
- (d) the external auditors of the Company will conduct an annual review of the pricing and the transaction volume vis-à-vis the annual caps under the CCT Agreement;
- (e) the audit committee of the Company will review the transactions under the CCT Agreement and recommend any proposals to improve the internal control measures; and
- (f) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on the CCT Agreement.

LETTER FROM THE BOARD

REASONS AND BENEFITS OF THE CCT AGREEMENT

The Group has long-standing business relationship with the Times China Group and its associated companies. The Group is able to generate a stable income stream from such reliable customers for the provision of the Services under the CCT Agreement. Given that the Group will ensure that the terms of such transactions will be fair and reasonable and no more favourable to the connected persons than those provided to Independent Third Parties, the Directors believe that the Group will be able to benefit from the entering into of the CCT Agreement.

The Directors (including the independent non-executive Directors who have expressed their views after considering the advice from Gram Capital, but excluding Mr. Bai) are of the view that the CCT Agreement (including the proposed annual caps) was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Shareholders as a whole.

As at the Latest Practicable Date, Mr. Bai holds approximately 2.08% of the total issued shares of the Company and approximately 2.27% of the total issued shares of Times China. Mr. Bai has abstained from voting on the relevant Board resolution for approving the CCT Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Company is owned as to 47.51% by Best Source, which is wholly-owned by Super Reach. Super Reach is a controlling shareholder of the Company. Times China is owned as to 62.74% by Asiaciti Enterprises, which is wholly-owned by Super Reach. Times China is an associate of a connected person of the Company under Chapter 14A of the Listing Rules. Thus, Times China is a connected person of the Company. The transactions contemplated under the CCT Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the CCT Agreement exceed 5%, the transactions contemplated under the CCT Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

(1) The Company and the Group

The Company is an investment holding company. The Group is principally engaged in the business of provision of property management services, value-added services to non-property owners, community value-added services and other professional services in the PRC.

LETTER FROM THE BOARD

(2) Times China

Times China is one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. Times China's business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale and the provision of construction services; (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages; and (iii) property leasing, i.e., the development, leasing and subleasing of commercial properties owned by it or third parties. As at the Latest Practicable Date, Times China is directly owned as to (i) 62.74% by Asiatic Enterprises, which is wholly-owned by Super Reach, which is in turn owned as to (a) 60% by Renowned Brand and in turn wholly owned by Mr. Shum, and (b) 40% by East Profit and in turn wholly owned by Ms. Li; and (ii) 37.26% by the public shareholders.

NO RELIANCE ISSUE

The Directors consider that the Company's reliance on Times China Group and its associated companies is not extreme, because:

- i. the Group is actively expanding its scale of business and third-party customer base, along with the continuous cooperation with Times China Group and its associated companies. The Group completed four acquisitions since 2020 which generated a broadened customer base with many new contracts which have commenced since the second half of the year 2020. The Company has diversified its business income sources. Even if the aggregate amount of the continuing connected transactions with Times China Group and its associated companies has increased, it is expected that the proportion of it relative to the total revenue would gradually decrease given the total revenue growth has increased significantly. As disclosed in the annual report of the Company for the year ended 31 December 2020, the total revenue of the Group increased by 62.6% in 2020 and the percentage of revenue generated from the Independent Third Parties relative to the total revenue increased to 69.1% in 2020. It is contemplated that a majority of the Group's revenue will continue to be generated from Independent Third Parties in the three years ending 31 December 2024;
- ii. the Company considers that the transactions between the Group and the Times China Group and its associated companies are on normal commercial terms given the fees to be charged for the Services are determined after arm's length negotiations with reference to the market rate (taking into consideration the location and the conditions of a property project and the scope of the property management services) and the fees charged by the Group for providing similar services to Independent Third Parties; and

LETTER FROM THE BOARD

- iii. the nature of the business relationship between the Group and the Times China Group and its associated companies is common among PRC property management companies and their parent/associated property developers. Most PRC property management companies listed on Stock Exchange managed projects sourced from, and provided value-added services to their associated property developers, and also generated a great portion of their revenue from their connected person.

On the above basis, the Company's reliance on Times China Group and its associated companies is not extreme.

In addition, the Company's business model is viable and sustainable.

The property management industry has developed rapidly in recent years, and all comparable companies are actively expanding their business scope and seeking to provide more comprehensive services. The Company is exploring more revenue sources from its main business.

The business relationship between the Group and Times China Group and its associated companies is common among PRC commercial operational and property management companies and their associate companies. The Group has a well-established and ongoing business relationship with Times China Group and its associated companies. It has provided various services to Times China Group and its associated companies including property management services since 1998. Benefitted from such long standing relationship, the Group is able to provide tailored services to Times China Group and its associated companies to meet its specific needs and the Group's management is familiar with the standards and requirements of Times China Group and its associated companies, while the Times China Group and its associated companies have relied on the stability and standards of service of the Group specially catered for its needs. The long term cooperation demonstrates that the Company can provide high quality services to Times China and such cooperation is mutually beneficial and complementary.

The Company is also capable of operating independently of the Times China Group and its associated companies. The Company has ability to develop and acquire more independent third party customers and further expand its customer base and extend its cooperation with them. Since 2013, the Group has started providing services to projects developed by independent third-party property developers. The gross floor area of properties developed by third party property developers increased from 5,414,000 sq.m. of the year 2018 to 47,494,000 sq.m. of the year 2020 and further increased to 75,393,000 sq.m. as of 30 June 2021. Accordingly, the proportion of the gross floor area covered by Times China Group and its associated companies relative to the total gross floor area under management by the Group reduced from 71.2% as of 31 December 2018 to 31.0% as at 31 December 2020 and reduced further to 23.0% as at 30 June 2021; on the contrary, the relative proportion by third party developers increased from 28.8% as of 31 December 2018 to 69.0% as at 31 December 2020 and increased further to 77.0% as at 30 June 2021. This shows the Group's overall reliance on projects of Times China Group and its associated companies is reducing.

LETTER FROM THE BOARD

Therefore, the Company's business model is viable and sustainable.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, having taken into account the advice of Gram Capital, has been established and considers that (i) the terms of the CCT Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the transactions contemplated under the CCT Agreement (including the proposed annual caps) are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution in relation to the CCT Agreement (including the proposed annual caps) proposed at the EGM. The text of the letter from the Independent Board Committee is set out on page 19 of this circular.

THE EGM

The EGM will be held at Suites 3905-3908, 39th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at 2:00 pm on 9 December 2021, for the purpose of considering and, if thought fit, passing an ordinary resolution to approve the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps). A notice of the EGM is set out on pages EGM-1 to EGM-3 of this circular.

Pursuant to the Rule 13.39(4) of the Listing Rules, the vote of the shareholders at a general meeting would be taken by poll. Save for Mr. Bai who is interested in approximately 2.08% of the total issued shares of the Company and approximately 2.27% of the total issued shares of Times China, and Best Source which is controlled by the same controlling shareholder with Times China, none of the other Shareholders has a material interest in the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps) and is required to abstain from voting on the relevant resolution in the EGM.

A form of proxy for the EGM is enclosed herewith. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish. In accordance with the requirements of the Listing Rules, the resolution to be put forward at the EGM will be voted on by the Independent Shareholders by way of poll.

LETTER FROM THE BOARD

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the register of the Shareholders of the Company will be closed from 6 December 2021 to 9 December 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of the Shareholders of the Company on 9 December 2021 will be entitled to attend and vote at the EGM.

RECOMMENDATION

The Independent Board Committee considers that the above resolution is in the best interests of the Company and its Shareholders. The Independent Board Committee therefore recommends the Independent Shareholders to vote in favor of the resolution as set out in the notice of EGM and to be proposed at the EGM. Having considered the reasons set out herein, the Directors are of the opinion that the CCT Agreement and the transactions contemplated thereunder and the proposed annual caps are conducted in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM.

Yours faithfully,
By Order of the Board
Times Neighborhood Holdings Limited
Wang Meng
Executive Director



Times Neighborhood Holdings Limited

時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9928)

22 November 2021

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular issued by the Company to the Shareholders dated 22 November 2021 (the “**Circular**”) which this letter forms a part of. Terms defined in the Circular shall have the same meanings as those used in this letter unless the context otherwise requires.

We have been appointed by the Board as the members of the Independent Board Committee to consider the CCT Agreement and to advise the Independent Shareholders in respect of the CCT Agreement and transactions contemplated thereunder and the proposed annual caps, details of which are set out in the “Letter from the Board” on pages 5 to 18 of the Circular. Gram Capital has been appointed as the Independent Financial Adviser in this regard.

We wish to draw your attention to the “Letter from the Board” and the “Letter from Gram Capital” as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, Gram Capital as set out in their letter of advice, we consider that (i) the terms of the CCT Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the transactions contemplated under the CCT Agreement (including the proposed annual caps) are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolution approving the CCT Agreement and the transactions contemplated thereunder and the proposed annual caps for three years ending 31 December 2024 at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee of
Times Neighborhood Holdings Limited

Lui Shing Ming, Brian

Independent

Non-Executive Director

Wong Kong Tin

Independent

Non-Executive Director

Chu Xiaoping

Independent

Non-Executive Director

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

22 November 2021

*To: The independent board committee and the independent shareholders
of Times Neighborhood Holdings Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the CCT Agreement (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 22 November 2021 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 16 November 2021, the Company entered into the CCT Agreement with Times China in relation to the provision of the Services by the Group to the Times China Group and its associated companies.

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and shall be subject to announcement, annual review and Independent Shareholders, approval requirements under chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin and Dr. Chu Xiaoping has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

LETTER FROM GRAM CAPITAL

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as (i) the independent financial adviser in relation to the Company's discloseable and connected transaction relating to the Company's proposed acquisition of Guangzhou Times Rongxin Micro-credit Co., Ltd.* (廣州市時代融信小額貸款股份有限公司), which was terminated on 27 April 2020 (details of which were set out in the Company's announcements dated 9 April 2020 and 27 April 2020); and (ii) the independent financial adviser in relation to the Company's continuing connected transactions, details of which were set out in the Company's circular dated 7 December 2020.

Notwithstanding the aforesaid past engagement, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps (such as review of the CCT Agreement, the Company's annual reports and interim reports, individual agreements in respect of the Group's provision of the Services, and analyses on the Company's estimated Transactions figures in relation to the proposed annual caps for the three years ending 31 December 2024) on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The 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 Company. 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,

LETTER FROM GRAM CAPITAL

and there are no other matters the omission of which would make any statement as contained in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Times China and each of their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

Information on the Group

With reference to the Board Letter, the Company is an investment holding company. The Group is principally engaged in the business of provision of property management services, value-added services to non-property owners, community value-added services and other professional services in the PRC.

Information on Times China

With reference to the Board Letter, Times China is one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. Times China's business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale and the provision of construction services; (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages; and (iii) property leasing, i.e., the development, leasing and subleasing of commercial properties owned by it or third parties.

LETTER FROM GRAM CAPITAL

Reasons for and benefits of the Transactions

With reference to the Board Letter, the Group has long-standing business relationship with the Times China Group and its associated companies. The Group is able to generate a stable income stream from such reliable customers for the provision of the Services under the CCT Agreement. As the Group will ensure that the terms of such transactions will be fair and reasonable and no more favourable to the connected persons than those provided to Independent Third Parties, the Directors believe that the Group will be able to benefit from the entering into of the CCT Agreement.

Furthermore, as confirmed by the Directors, the Transactions are entered into in the ordinary and usual course of business of the Group and on a frequent and regular basis. As such, it would be costly and impracticable to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Listing Rules, if necessary. Accordingly, the Directors are of the view that the Transactions will be beneficial to the Company and the Shareholders as a whole.

Having considered the above factors, including (i) the entering into the Transactions (which are revenue in nature) would allow the Group to have stable source of clients; (ii) it would be costly and impracticable to make regular disclosure of each of the relevant transactions and obtain the prior approval from the Independent Shareholders, as required by the Listing Rules, if necessary, we consider that the Transactions are in the interest of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

Notwithstanding that the historical transaction amount for the provision of the services since the financial year ended 31 December 2018 covered both the Company's previous continuing connected transactions with Times China and Asiatici Enterprises and they were covered by two separate continuing connected transaction agreements entered into (i) between Asiatici Enterprises (the controlling shareholder of Times China) and the Company; and (ii) between Times China and the Company, the Group has reviewed the historical transactions thereunder, and noted the services were ultimately taken up by the Times China Group and its associated companies. Therefore, the Company considers that it is no longer necessary to enter into an agreement with Asiatici Enterprises for the year 2021 onwards. The proposed new grouping of the Services under an agreement directly with Times China would reduce unnecessary legacy bureaucracy and enhance operational efficiency.

Principal terms of the Transactions

Set out below are the principal terms of the Transactions, details of which are set out under the section headed "THE CCT AGREEMENT" of the Board Letter.

Date

16 November 2021

Subject matters

The Group agreed to provide the Services to the Times China Group and its associated companies.

LETTER FROM GRAM CAPITAL

Term

The CCT Agreement shall become effective on the Effective Date conditional upon the Independent Shareholders and the independent shareholders of Times China having approved the relevant ordinary resolution at the EGM and the Times China EGM respectively. The term shall commence from 1 January 2022 until 31 December 2024.

Pricing

The fees will be determined after arm's length negotiations with reference to (i) the prevailing market price (taking into account the location and the conditions of the property, the scope of the services and the anticipated operation costs including but not limited to labor costs, administration costs and costs of materials) charged by the Group for providing similar services to Independent Third Parties; and (ii) the guidance price of the Services for similar type of development projects issued by the local government (if applicable). The fees shall not be higher than the standard fees approved by the state pricing regulatory authorities (if applicable) and not lower than the fees charged by the Group to Independent Third Parties in any event. Details of the pricing policies are set out under the sub-section headed "Pricing" of the Board Letter.

Having considered that the fees shall not be higher than the standard fees approved by the state pricing regulatory authorities (if applicable) and not lower than the fees charged by the Group to Independent Third Parties in any event, we are of the view that the pricing policy is fair and reasonable.

For our due diligence purpose, we obtained (i) over 10 contracts in total entered into between the Group and (a) Times China Group and its associated companies in 2021; and (b) Independent Third Parties; and (ii) internal system records showing fee charged by the Group to all clients. We noted that the Group's provision of services to Times China Group and its associated companies included (i) value-added services to non-property owners; (ii) property management services; (iii) car parking lots leasing management services; (iv) sale installation and maintenance of elevators; (v) instalment of internet services; and (vi) intelligent engineering services. As the aforesaid documents involving the Group's provision of aforesaid services (i), (ii), (iii), (iv) and (vi) (the documents of which were provided by the Company on a random basis) and there is no contract entered into between the Group and Independent Third Parties in respect of the Group's provision of instalment of internet services (i.e. service (v) as mentioned in this paragraph), we consider the aforesaid documents are sufficient for us to form our view in respect of fair pricing of the existing framework agreement. After reviewing the abovementioned documents and as further request by us, we noted following:

- In respect of services (i), (ii), (iii) and (iv), we noted from the aforesaid documents that the fees for similar/same services charged by the Group to Times China Group and its associated companies were not lower than the fees charged to Independent Third Parties.

LETTER FROM GRAM CAPITAL

- In respect of service (vi), as advised by the Directors, it is not appropriate to compare different intelligent engineering services projects as the quotations were determined on a case-by-case basis with reference to prevailing market prices, technical skills and know-how required and the Group's costs of services (including the manpower required for intelligent engineering work for the relevant projects). To illustrate the fairness pricing of service (vi), the Directors further advised us (a) revenue generated from the Group's provision of intelligent engineering services to Times China Group and its associated companies, together with cost, for the first six months of 2021; and (b) revenue generated from the Group's provision of intelligent engineering services to the Independent Third Parties, together with cost, for the first six months of 2021. For the first six months of 2021, the gross profit margin of the aforesaid services as provided to Times China Group and its associated companies was not lower than the gross profit margin of the aforesaid services as provided to Independent Third parties.

We understood that the Group adopted the internal control measures (the “**IC Measures**”) in connection with the CCT Agreement in order to ensure that the transactions contemplated under the CCT Agreement will be on normal commercial terms, details of which are set out under the section headed “Internal Control” of the Board Letter. Having considered that there will be procedures to ensure terms of such transactions being fair and reasonable and no more favourable to the connected persons than those charged to Independent Third Parties before entering into every specific agreement, we are of the view that the effective implementation of the IC Measures would help to ensure fair pricing of the Transactions.

With reference to Rule 14A.56 of the Listing Rules, among other things, the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the listed issuer's group if the transactions involve the provision of goods or services by the listed issuer's group. We obtained the letter from the Company's auditors, showing their conclusion, among other things, continuing connected transactions entered into by the Group for the year ended 31 December 2020 have followed the pricing policies of the Group in all material aspects.

We further discussed with the finance director of Company's finance department (the “**Finance Director**”), who will be mainly responsible for implementing the IC Measures, and understood that the finance department was aware of the IC Measures and will comply with the IC Measures when conducting the Transactions.

With reference to the Board Letter, the finance department will take proper records of the actual transaction amounts and will review the aggregate transaction amounts on a monthly basis. In addition, if the actual aggregate transaction amount reaches 50% threshold of the proposed annual caps, or if the business operation department and finance department expect that the relevant business operations will expand and may use up a substantial part of the annual caps in short run, the matter shall promptly be escalated to the senior management of the Company. The senior management of the Company will assess if there is a need to revise

LETTER FROM GRAM CAPITAL

the existing annual caps, and if so, revise the annual caps in accordance with the relevant internal procedures of the Company and re-comply with the requirements under the Listing Rules. As there will be a periodic review on the aggregate transaction amounts and reporting procedures if the actual aggregate transaction amount reaches the threshold or certain events take place/anticipates to take place, we consider the procedures to ensure that the annual caps under the CCT Agreement will not be exceeded is in effective.

Having considered (i) our discussion with the Finance Director as mentioned above; (ii) the auditors' confirmation that continuing connected transactions entered into by the Group for the year ended 31 December 2020 have followed the pricing policies of the Group in all material aspects; and (iii) our findings on the documents as mentioned above, we consider the implementation of the internal control measures were properly implemented.

Payment

The credit term for the fee payable by the Times China Group and its associated companies in relation to the Services is 30 days in general, which is in line with the credit term provided to Independent Third Parties.

With reference to the Company's annual report for the year ended 31 December 2020, for trade receivables from property management services, the Group charges property management fees on a quarterly or monthly basis and the payment is generally due upon the issuance of demand notes. For trade receivables from other services, the Group's trading terms with its customers are mainly on credit and the credit period is generally within three months. Accordingly, we consider the payment term for the Services to be fair and reasonable.

The proposed annual caps

Set out below are (i) historical amounts of the Transactions for the year ended 31 December 2020 and the eight months ended 31 August 2021 with existing annual caps; and (ii) proposed annual caps of the Transactions for the three years ending 31 December 2024.

	For the year ended 31 December 2020 ("FY2020") (RMB'000)	For the year ending 31 December 2021 ("FY2021") (RMB'000)
Historical transaction amounts	543,344	321,717 (Note)
Existing annual caps	630,000	830,000

LETTER FROM GRAM CAPITAL

	For the year ending 31 December 2022 (“FY2022”) (RMB’000)	For the year ending 31 December 2023 (“FY2023”) (RMB’000)	For the year ending 31 December 2024 (“FY2024”) (RMB’000)
The proposed annual caps	1,220,000	1,680,000	2,150,000

Note: The figure was for the eight months ended 31 August 2021.

The bases for determining the proposed annual caps for the three years ending 31 December 2024 are set out in section headed “Proposed annual caps” of the Board Letter.

According to the above table, the utilization rate of the existing annual cap for FY2020 was approximately 86.2%, being a relatively high level. The proposed annual cap for FY2022 represented a substantial increase to the existing annual cap for FY2021. As advised by the Directors, such substantial increase was mainly considered with reference to the growth trend of historical transaction amounts between the Group and Times China Group together with its associates.

To assess the fairness and reasonableness, we performed the following analyses:

- The estimated transaction amount (which is also the annual cap) for FY2022 represents a compounded annual growth of approximately 50% to the historical transaction amount for FY2020.

As mentioned above, such substantial increase was mainly considered with reference to the growth trend of historical transaction amounts between the Group and Times China Group together with its associates.

We summarised the historical transaction amounts between the Group and Times China Group together with its associates for the five years ended 31 December 2020 as follows:

	For the year ended 31 December 2016 RMB’000	For the year ended 31 December 2017 RMB’000	For the year ended 31 December 2018 RMB’000	For the year ended 31 December 2019 RMB’000	For the year ended 31 December 2020 RMB’000
Historical transaction amounts	109,605	127,498	238,387	331,810	543,344
Year-on-year growth		16%	87%	39%	64%
Average growth			52%		
Compounded annual growth rate (2016-2020)			49%		

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As the implied compounded annual growth from FY2020 to FY2022 of approximately 50% is in line with the compounded annual growth rate from 2016 to 2020, we consider the implied compounded annual growth from FY2020 to FY2022 to be justifiable.

- Upon our request, the Directors provided us the calculation for the proposed annual cap for FY2022. Please also refer to the section headed “Proposed annual caps” in the Board Letter for detailed breakdown of the proposed annual caps for the three years ending 31 December 2024.

Based on the breakdown of the proposed annual cap for FY2022, the estimated increase in (i) sales assistance services (accounting for approximately 68% of the total increase); (ii) intelligent engineering services (accounting for approximately 13% of the total increase); (iii) sale, installation and maintenance of elevators (accounting for approximately 19% of the total increase), in total accounted for the majority increase in proposed annual cap for FY2022 as compared to the historical transaction amounts for FY2020 (Note: changes in other segments represented either increases of less than 10% or decreases).

1. Sales assistance services

The estimated amounts of sales assistance services for FY2022 mainly comprised (i) estimated amounts of provision of on-site sales assistance services; and (ii) the estimated amounts of provision of sales assistance services for properties.

1.1. Provision of on-site sales assistance services

We noted that the estimated amounts of provision of on-site sales assistance services for FY2022 was determined based on provision of on-site sales assistance services for FY2021 and estimated growth.

In arriving at the estimated amounts of on-site sales assistance services for FY2021, the Directors considered (i) estimated amounts of on-site sales assistance services with reference to the estimated number of staff for each on-site project, their average salary, estimated duration of service period and estimated number of on-site projects (upon our further request, the Directors provided us historical number of on-site projects, number of staff for each on-site project and average salary level, average duration of service period, which the estimated figures were in line with); and (ii) estimated amounts of property interior decoration services with reference to the annualization of historical amounts of such services for first half of FY2021 and proposed additional interior decoration services (under strategic cooperation) for FY2021 (upon our further request, the Directors provided us the proposed interior decoration projects with estimated contract values).

LETTER FROM GRAM CAPITAL

We noted that the estimated amounts of provision of on-site sales assistance services for FY2022 represented an increase of approximately 68% as compared to that for FY2021. As the implied increase of the estimated amounts of provision of on-site sales assistance services for FY2021 represented an increase of approximately 65% as compared to that for FY2020, we consider the aforesaid estimated increase of approximately 68% to be justifiable.

Based on the above, we consider the estimated amounts of provision of on-site sales assistance services for FY2022 to be reasonable.

1.2. Provision of sales assistance services for properties

As advised by the Directors, sales assistance services relate to Times China Group's and associates' sales in properties and car parking lots to clients who were introduced by the Group. The estimated amounts of sales assistance services were calculated with reference to (i) estimated value of properties and car parking lots; (ii) estimated unit of properties and car parking lots to be sold during FY2022; and (iii) estimated commission rates.

For our due diligence purpose, we noted that (i) the estimated value per unit of properties/car parking lots represented average value per unit of properties/car parking lots sold by Times China Group respectively, the clients of which were introduced by the Group, for the eight months ended 31 August 2021; (ii) the estimated unit of properties and car parking lots to be sold during FY2022 was based on number of employees and number of clients introduced by each employee (based on historical sales figures with adjustment); and (iii) estimated commission rates, which was the average commission rates according to the historical sales figures for the eight months ended 31 August 2021 with adjustment. Based on the aforesaid factors, we consider the sales assistance services for FY2022 to be acceptable.

2. *Intelligent engineering services*

As advised by the Directors, the estimated amounts of intelligent engineering services for FY2022 were calculated with reference to (i) estimated GFA to be delivered during FY2022; (ii) estimated proportion of intelligent engineering services to be provided by the Group to Times China Group and its associates; and (iii) unit cost of intelligent engineering services per square meter.

We further noted that the estimated GFA to be delivered during FY2022 was based on the actual delivered GFA during the first seven months ended 31 July 2021 and estimated GFA to be delivered during the five months ending 31 December 2021. As the estimated GFA to be delivered during FY2021 represented a smaller increase than the estimated GFA to be delivered during FY2020, we consider the estimated GFA to be delivered during FY2021 to be reasonable. Accordingly, we consider the estimated GFA to be delivered during FY2022, which is in line with that during FY2021, to be justifiable.

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As further advised by the Directors, the estimated proportion of intelligent engineering services to be provided by the Group was based on the contract value of intelligent engineering services to Times China Group's investment of intelligent engineering for the eight months ended 31 August 2021. Upon our request, we obtained the aforesaid contract value and investment amount and acknowledged the calculation of the aforesaid estimated proportion.

In respect of estimated unit cost of intelligent engineering services per square meter for FY2022, the Directors provided us the unit cost of intelligent engineering services per square meter of three historical projects relating to the Group's provision of engineering services to Times China Group and its associates. The estimated unit cost of intelligent engineering services per square meter fell within the range of unit cost of intelligent engineering services per square meter of the three historical projects. Accordingly, we consider the estimated unit cost of intelligent engineering services per square meter to be justifiable.

Based on the above, we consider the intelligent engineering services for FY2022 to be reasonable.

3. Sale, installation and maintenance of elevators

According to the breakdown, the Group recorded transaction amount of approximately RMB9.1 million in sale, installation and maintenance of elevators for the eight months ended 31 August 2021, which was significantly lower than the estimated amounts of approximately RMB86.3 million for FY2021. As explained by the Directors, they expected to record most of the estimated amounts in the last few months in FY2021.

We noted that the Group recorded transaction amount of approximately RMB2.36 million in sale, installation and maintenance of elevators for the ten months ended 31 October 2020 while the Group recorded total transaction amount of approximately RMB30.5 million for full financial year of 2020. It indicated that the Group recorded most of the transaction amount for the sale, installation and maintenance of elevators for the last two months in FY2020.

Upon our request, the Directors provided us a list, showing the properties projects which required the sale, installation and maintenance of elevators from the Group with contract value/estimated contract value and estimated amounts to be recorded in FY2021. According to the projects, the estimated amounts of sale, installation and maintenance of elevators are in line with the summation of the estimated amounts to be recorded in FY2021.

LETTER FROM GRAM CAPITAL

Based on the above factors, in particular that (i) the Group recorded most of the transaction amount for the sale, installation and maintenance of elevators for the last two months in FY2020; and (ii) the estimated amounts of sale, installation and maintenance of elevators are in line with the summation of the estimated amounts to be recorded in FY2021 according to the relevant projects as shown in the list, we consider the estimated amount for sale, installation and maintenance of elevators for FY2021 to be justifiable.

We further noted that the estimated amount for the sale, installation and maintenance of elevators for FY2022 represented a substantial increase of approximately 88% as compared to that for FY2021. Having considered the average historical increase in the provision of this services amounting to approximately 91% per annum from 2018 to 2020, we consider the aforesaid increase of approximately 88% to be justifiable. Accordingly, we consider the estimated amounts for the provision of sale, installation and maintenance of elevators for FY2022 to be justifiable.

During the process of our analyses, we analyzed the proposed annual caps for FY2022 with reference to, among other things, relevant financial amounts for the five years ended 31 December 2020 instead of first eight months of 2021 with comparative figures, which was mainly due to the following factors (i) the Company did not prepare relevant figures for the first eight months for 2016 to 2019; (ii) the payment of services fee for certain Services (e.g. intelligent engineering services) are based on the project progress; and (iii) for certain Services (i.e. sale, installation and maintenance of elevators services), most of the estimated amounts are expected to be recorded in the last few months of the year. Therefore, we consider that our analyses based on, among other things, historical amounts for a full year will be more appropriate.

Based on the above factors, including (i) implied compounded annual growth from FY2020 to FY2022 to be justifiable; and (ii) as our analyses above, the abovementioned three types of services (the increases of which accounted for the majority increase for FY2022 as compared to FY2020) to be justifiable, we consider that the proposed annual cap for FY2022 to be fair and reasonable.

The proposed annual caps (i) for FY2023 represented an increase of approximately 38% as compared to that for FY2022; and (ii) for FY2024 represented an increase of approximately 28% as compared to that for FY2023. Having considered that (i) the compounded annual growth rate of historical amounts of the Services provided by the Group for the five years ended 31 December 2020 amounted to approximately 50%; and (ii) the historical amounts of the Services provided by the Group for FY2020 represented an increase of approximately 64% as compared to that for FY2019, we are of the view that the increases in proposed annual caps for FY2023 and FY2024 to be justifiable.

LETTER FROM GRAM CAPITAL

We also noted that the Group's revenue, gross profit and profit attributable to owners of the parent for FY2020 increased by approximately 62.6%, 73.9% and 141.5% as compared to those for FY2019 respectively (increase in FY2018 as compared to previous financial year: 55.4%, 60.3% and 51.6%).

Having considered (i) that the increases in proposed annual caps for FY2023 and FY2024 to be justifiable; and (ii) the historical operating performances of the Group as mentioned above, we consider the proposed annual caps for FY2023 and FY2024 to be fair and reasonable.

Shareholders should note that as the annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2024, and they do not represent forecasts of revenue to be received from the Transactions. Consequently, we express no opinion as to how closely the actual revenue to be received from the Transactions will correspond with the proposed annual caps.

Having reviewed and considered the terms of the Transactions, in particular the key terms as listed above (including the pricing policy, payment terms and proposed annual caps being fair and reasonable; and no abnormal term observed), we are of the view that the terms of the Transactions are on normal commercial terms and are fair and reasonable.

Listing Rules implication

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the values of the Transactions must be restricted by their respective annual cap for the period concerned under the CCT Agreement; (ii) the terms of the Transactions (including their respective annual caps) must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports.

Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the transactions contemplated under the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the CCT Agreement governing the Transactions; and (iv) have exceeded the annual caps.

In the event that the total amounts of the Transactions are anticipated to exceed the annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

* *For identification purpose only*

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 Company. 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 misleading.

2. DISCLOSURE OF INTERESTS

Director and chief executive's interests and short positions in shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which are 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 and short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Shares of the Company

Name of Director/ Chief Executive	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company⁽¹⁾
Ms. Wang Meng	Beneficial owner	200,000	0.02%
Mr. Yao Xusheng	Beneficial owner	200,000	0.02%
Ms. Xie Rao	Beneficial owner	200,000	0.02%
Ms. Zhou Rui	Beneficial owner	200,000	0.02%
Mr. Bai Xihong	Beneficial owner	509,000	0.05%
	Interest of spouse ⁽²⁾	20,021,484	2.03%
Mr. Lui Shing Ming, Brian	Beneficial owner	200,000	0.02%
Dr. Wong Kong Tin	Beneficial owner	200,000	0.02%

Notes:

- (1) As at the Latest Practicable Date, the total number of issued shares of the Company was 985,672,747 shares.
- (2) As at the Latest Practicable Date, Ms. Wan Zhi Ning, the spouse of Mr. Bai Xihong was interested in 20,021,484 shares. Mr. Bai Xihong was deemed to be interested in those shares.

Interests in Associated Corporations

Name	Name of Associated Corporation	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Interest ⁽¹⁾
Mr. Bai Xihong	Times China Holdings Limited	Beneficial owner	43,074,000	2.17%
		Interest of spouse ⁽²⁾	2,017,000	0.10%

Notes:

- (1) As at the Latest Practicable Date, the total number of issued shares of Times China was 1,984,116,039 shares.
- (2) As at the Latest Practicable Date, Ms. Wan Zhi Ning, the spouse of Mr. Bai Xihong was interested in 2,017,000 shares of Times China. Mr. Bai Xihong was deemed to be interested in those shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or 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 and short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial shareholders' interests

As at the Latest Practicable Date, to the best knowledge of the Directors of the Company, the following persons (except Directors and chief executives of the Company) had interests or short positions in the Company's shares or underlying shares which fall to be disclosed to the Company pursuant to Divisions 2 and 3 of the Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company ⁽¹⁾
Best Source Ventures Limited	Beneficial owner	468,250,769	47.51%
Super Reach Ventures Limited	Interested in controlled corporation	468,250,769	47.51%
Renowned Brand Investments Limited ⁽²⁾	Interested in controlled corporation	468,250,769	47.51%

Name of Shareholder	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company ⁽¹⁾
East Profit Management Limited ⁽²⁾	Interested in controlled corporation	468,250,769	47.51%
Mr. Shum Chiu Hung ⁽²⁾	Interested in controlled corporation	468,250,769	47.51%
Ms. Li Yiping ⁽²⁾	Interest of spouse Interested in controlled corporation	468,250,769	47.51%
Sumitomo Mitsui Financial Group, Inc.	Interest of spouse Interested in controlled corporation	59,141,000	6.00%

Notes:

- (1) As at the Latest Practicable Date, the total number of issued shares of the Company was 985,672,747 shares.
- (2) Best Source is wholly owned by Super Reach, and Super Reach is owned as to 60% by Renowned Brand, which is wholly owned by Mr. Shum; and as to 40% by East Profit, which is wholly owned by Ms. Li. By virtue of the SFO, Super Reach, Renowned Brand, East Profit, Mr. Shum and Ms. Li are deemed to be interested in shares held by Best Source.

Save as disclosed above, as at the Latest Practicable Date, as far as the Directors are aware, no other person (not being Directors and the Company's chief executive) has an interest or short position in the Company's shares or underlying shares which are required to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register of the Company required to be kept under Section 336 of the SFO.

3. COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors nor their respective close associates had any direct or indirect interests in any businesses that constitutes or may constitute a competing business of the Company.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had entered into any service contract or letter of appointment with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

5. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or are proposed to be acquired, disposed of by, or leased to any member of the Group;
- (b) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group; and
- (c) none of the Directors is also an employee or director of any substantial shareholder of the Company.

6. QUALIFICATION OF EXPERT AND CONSENT

The qualification of the expert who has given an opinion or advice in this circular is as follow:

Name	Qualification
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As of the Latest Practicable Date, the expert mentioned above (i) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinion and the references to its names included herein in the form and context in which it is respectively included; (ii) has no direct or indirect shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and (iii) has no direct or indirect interests in any assets which have been, since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

7. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Company since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. DOCUMENTS ON DISPLAY

A copy of each of the following documents will be available on display online on the Stock Exchange's website through e-Submission System and on the Company's website from the date of this circular up to and including the date of the EGM:

- (a) the letter from the Independent Board Committee dated 22 November 2021, the text of which is set out on page 19 of this circular;
- (b) the letter of recommendation from Gram Capital dated 22 November 2021, the text of which is set out on pages 20 to 33 of this circular;
- (c) the written consent of Gram Capital, which was referred to in the section headed "Qualification of Expert and Consent" in this appendix;
- (d) the CCT Agreement; and
- (e) a copy of this circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



Times Neighborhood Holdings Limited

時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9928)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Times Neighborhood Holdings Limited (the “**Company**”) will be held at Suites 3905-3908, 39th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at 2:00 pm on 9 December 2021 for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company. Unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 22 November 2021:

ORDINARY RESOLUTION

“**THAT**

- (a) the CCT Agreement, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the proposed annual caps in the CCT Agreement as set out in the circular of the Company dated 22 November 2021 be and is hereby approved; and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the CCT Agreement.”

Yours faithfully,

By Order of the Board

Times Neighborhood Holdings Limited

Wang Meng

Executive Director

Hong Kong, 22 November 2021

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Registered office:

71 Fort Street
PO Box 500
George Town
Grand Cayman
KY1-1106
Cayman Islands

Principal place of business in Hong Kong:

Suites 3905-3908, 39th Floor
Two Exchange Square
8 Connaught Place Central
Hong Kong

Notes:

1. The resolution at the EGM will be taken by poll (except where the chairman, in good faith, decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company. If more than one proxy is appointed, the number of shares of the Company in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
4. In order to be valid, the form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for holding the meeting (i.e., at or before 2:00 pm on 7 December 2021 (Hong Kong time)), or any adjourned meeting thereof (as the case may be).
5. Completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

7. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from 6 December 2021 to 9 December 2021, both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 3 December 2021.
8. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the Board comprises Ms. Wang Meng, Mr. Yao Xusheng, Ms. Xie Rao and Ms. Zhou Rui as executive Directors; Mr. Bai Xihong and Mr. Li Qiang as non-executive Directors; Mr. Lui Shing Ming, Brian, Dr. Wong Kong Tin and Dr. Chu Xiaoping as independent non-executive Directors.