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

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

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Yee Hop Holdings Limited
義合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1662)

MAJOR TRANSACTION –
THE TENANCY AGREEMENTS

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the board of directors of the Company is set out on pages 5 to 21 of this circular.

The transaction being the subject matter of this circular has been approved by written shareholders' approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

21 April 2022

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DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Yee Hop Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Guangzhou Huaxin”	Guangzhou Huaxin Group Co., Ltd.* (廣州華新集團有限公司), a company established in the PRC with limited liability;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS 16”	Hong Kong Financial Reporting Standard 16;
“HKS”	HKS International Limited, a company incorporated in the British Virgin Islands with limited liability;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huaxin Holdings”	Guangzhou Huaxin Group Holdings Co., Ltd.* (廣州華新集團控股有限公司), a company established in the PRC with limited liability;
“Huayue Property”	Guangzhou Huayue Property Service Co., Ltd.* (廣州華悅物業服務有限公司), a company established in the PRC with limited liability;
“Independent Third Party(ies)”	any person(s) or companies and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and connected persons (as defined under the Listing Rules) of the Company;

DEFINITIONS

“JJ1318”	JJ1318 Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Jim;
“Landlord (A)”	Guangzhou Wanchuang Investment Management Co., Ltd.* (廣州市萬創投資管理有限公司), a company established in the PRC with limited liability;
“Landlord (B)”	Guangzhou Panyu Information Technology Investment Development Co., Ltd.* (廣州市番禺信息技術投資發展有限公司), a state-owned enterprise established in the PRC with limited liability;
“Latest Practicable Date”	18 April 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication;
“Lessee”	Guangzhou Qingchuang Wangdi Commercial Operation Management Company Limited* (廣州青創旺地商業運營管理有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company;
“Lessor”	Guangzhou Huncheng Capital Management Co., Ltd*(廣州混城資本管理有限公司), a company established in the PRC with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules;
“Mr. Chui”	Mr. Chui Mo Ming, an executive Director and a substantial shareholder (has the meaning ascribed to it under the Listing Rules) of the Company;
“Mr. Jim”	Mr. Jim Yin Kwan Jackin, an executive Director and a controlling shareholder (has the meaning ascribed to it under the Listing Rules) of the Company;

DEFINITIONS

“PRC”	the People’s Republic of China, which shall, for the purpose of this circular, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Premises (A)”	Rooms 101–118, 301–332, 401–409, No. 439, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, Room 101, Nos. 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, and Rooms 201–221, No. 236, Hui Zhi Er Road, Nancun Town, Panyu District, Guangzhou* (廣州市番禺區南村鎮漢溪大道東439號101–118, 301–332, 401–409房, 廣州市番禺區南村鎮漢溪大道東441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465號101房及廣州市番禺區南村鎮匯智二路236號物業201–221房);
“Premises (B)”	Rooms 201–232, No. 439, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou* (廣州市番禺區南村鎮漢溪大道東439號201–232房);
“Premises”	collectively, the Premises (A) and the Premises (B);
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) in the Company;
“Shareholder(s)”	holders of the Shares from time to time;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Tenancy Agreement (A)”	means the tenancy agreement dated 28 March 2022 entered into between the Lessor and the Lessee in respect of the Premises (A);
“Tenancy Agreement (B)”	means the tenancy agreement dated 28 March 2022 entered into between the Lessor and the Lessee in respect of the Premises (B);
“Tenancy Agreement(s)”	collectively, the Tenancy Agreement (A) and the Tenancy Agreement (B);

DEFINITIONS

“Valuation Date”	28 March 2022
“YH Qing Chuang”	YH Qing Chuang Limited (義合青創有限公司), a company incorporated in Hong Kong with limited liability;
“%”	per cent.

In this circular, the English names of the PRC entities marked with “” are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

LETTER FROM THE BOARD



Yee Hop Holdings Limited

義合控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1662)

Executive Directors:

Mr. Jim Yin Kwan Jackin (*Chairman*)
Mr. Chui Mo Ming (*Vice-chairman*)
Mr. Yan Chi Tat (*Chief Executive Officer*)
Mr. Leung Hung Kwong Derrick
Mr. Xu JunMin

Registered Office:

Windward 3
Regatta Office
Park PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Non-executive Director:

Mr. Wang Jian

*Headquarter, head office and principal place
of business in Hong Kong:*

Units 1104–1106
Nan Fung Commercial Centre
19 Lam Lok Street
Kowloon Bay
Kowloon
Hong Kong

Independent Non-executive Directors:

Mr. Lee Luk Shiu
Mr. Yu Hon Kwan
Mr. Wong Chi Keung Johnny

21 April 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION – THE TENANCY AGREEMENTS

INTRODUCTION

Reference is made to the announcement of the Company dated 28 March 2022 in respect of, among other things, the Tenancy Agreements and the transactions contemplated thereunder.

On 28 March 2022, the Lessee, being an indirect non wholly-owned subsidiary of the Company, as lessee and the Lessor as lessor entered into (i) the Tenancy Agreement (A) in respect of the Premises (A) for a term of 12 years and 10 months commencing from 1 May 2022 to 28 February 2035; and (ii) the Tenancy Agreement (B) in respect of the Premises (B) for a term of six years and three months commencing from 1 May 2022 to 31 July 2028.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, details of the Tenancy Agreements and other information as required under the Listing Rules.

THE TENANCY AGREEMENT (A)

The principal terms of the Tenancy Agreement (A) are set out as follows:

- Date: 28 March 2022
- Parties: 1. The Lessor; and
2. The Lessee.
- Premises: Rooms 101–118, 301–332, 401–409, No. 439, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, Room 101, Nos. 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, and Rooms 201–221, No. 236, Hui Zhi Er Road, Nancun Town, Panyu District, Guangzhou* (廣州市番禺區南村鎮漢溪大道東439號101–118, 301–332, 401–409房, 廣州市番禺區南村鎮漢溪大道東441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465號101房及廣州市番禺區南村鎮匯智二路236號物業201–221房).
- Term: 12 years and 10 months commencing from 1 May 2022 to 28 February 2035 with rent-free period from 1 May 2022 to 31 August 2022.
- The term under the Tenancy Agreement (A) aligns with the expiry date of the tenancy agreement entered into between Huayue Property and the Lessor.
- Rent: The total rent payable under the Tenancy Agreement (A) with respect of the Premises (A) is approximately RMB154,950,890 (inclusive of tax).

LETTER FROM THE BOARD

For the period from 1 May 2022 to 31 August 2022, the monthly rent shall be zero. The monthly rent payable by the Lessee to the Lessor shall be RMB775,068.51 (inclusive of tax) for the period from 1 September 2022 to 28 February 2023, and subject to an increment of 4.5% every year for the remaining term of the Tenancy Agreement (A). The rent under the Tenancy Agreement (A) was determined after arm's length negotiations between the Lessee and the Lessor and with reference to the prevailing market rent of comparable properties and the expected profit in subleasing of the Premises (A).

The basis for determining the annual rental incremental rate of 4.5% during the term of the Tenancy Agreement (A) is with reference to (i) the expected incremental rate to be charged to the sub-lessee(s) after renovation completed; and (ii) the prospects of the new commercial business development at which the Premises (A) is located.

In particular, the independent property valuer has assessed the market rents of the Premises (A) as at 28 March 2022 and issued the valuation report on 21 April 2022, which is set out in Appendix II to this circular. In determining the market rents, the independent property valuer adopted the market approach. The market approach considers rents recently paid for similar assets, with adjustments made to the indicated market rents to reflect the condition and utility of the appraised assets relative to the market comparable, assuming the lessor leases the properties in its existing state to lessee for terms over five years under normal leases. The independent property valuer has also taken into account the fact that the Premises (A) are located at an area with mainly medium to high-rise residential and commercial buildings, the walking distance between the Premises (A) and the metro station, and the accessibility of other public transport. While the Lessor is an Independent Third Party, the independent property valuer is of view that (i) the rents are fair and reasonable, which reflect prevailing market rates of comparable properties in similar location as at the Valuation Date; and (ii) the terms of the Tenancy Agreement (A) are comparable to normal commercial terms determined through arm's length negotiations and are no less favour to the Group than those available from independent third parties. Whilst the market monthly rental assessed by the independent property valuer is higher than the monthly rent payable under the Tenancy Agreement (A), the difference represents a discount as a result of the commercial negotiations between the parties after considering the long tenancy term for the Tenancy Agreement (A) and the fact that the Lessee has agreed to lease all of the units of Huaxin Hui Building 1 and 2.

LETTER FROM THE BOARD

The Company intended to use the Premises (A) for subleasing after renovation. The target sublessee(s) would be high ended restaurants, wine bars and retail stores. The expected average initial yield for the first three years after completion of renovation work ranged from approximately 4%–5% after taking into account the expected occupancy rate and expected market rental rate.

In view of such, the Directors (including the independent non-executive Directors) are of the view that the rent under the Tenancy Agreement (A) is fair and reasonable.

Rental deposit:	RMB2,325,205.53
Area:	Gross floor area of 8,334.07 square meters
Manner of payment:	The monthly rent is payable by the Lessee to the Lessor before every 25th day of each month. The first month rental payment shall be paid by the Lessee before 1 May 2022 but after signing the Tenancy Agreement (A) becomes effective and the rental deposit shall be paid by the Lessee within 15 business days after the Tenancy Agreement (A) becomes effective.
Use of the Premises:	The Group intends to use the Premises (A) for subleasing.
Sale of the Premises (A):	The Lessor agrees to ensure that the purchaser of the Premises (A) shall enter into a tenancy agreement with the Lessee with the same terms as the Tenancy Agreement (A) if the Premises (A) is sold to another party.
Conditions precedent:	<p>The Tenancy Agreement (A) shall be conditional upon the following conditions precedent:</p> <ul style="list-style-type: none">(a) the Lessee having obtained the Shareholders' approval for the Tenancy Agreement (A) in accordance with the Listing Rules; and(b) the Lessee having completed the due diligence exercise on the Premises (A).

LETTER FROM THE BOARD

If the conditions precedent are not fulfilled by 30 April 2022, the Tenancy Agreement (A) shall cease to have effect and either party to the Tenancy Agreement (A) shall have no claim against the other party save for any antecedent breach or otherwise stipulated in the Tenancy Agreement (A).

Under the Tenancy Agreement (A), none of the conditions precedent is waivable. As at the Latest Practicable Date, the conditions precedent in respect of the Tenancy Agreement (A) have been fulfilled in accordance with the terms and conditions of the Tenancy Agreement (A).

Termination:

The Lessee shall be entitled to unilaterally terminate the Tenancy Agreement (A) and demand the Lessor to return to the Lessee an amount equivalent to twice the amount of rental deposit and compensate the Lessee against all losses incurred by the Lessee if any of the following events occurs:

- (a) the Lessor unilaterally terminates the Tenancy Agreement (A) without the written consent of the Lessee;
- (b) the Lessor fails to deliver the Premises (A) to the Lessee in accordance with the terms of the Tenancy Agreement (A) including but not limited to the event that Premises (A) cannot be used for the purpose as stipulated in the Tenancy Agreement (A) or there is dispute on the title to the Premises (A);
- (c) the Premises (A) is transferred which prejudices the rights of the Lessee in the tenancy;
- (d) the Lessor breaches any of the following warranties (i) the Lessor has right to lease the Premises (A) to the Lessee free from encumbrance; (ii) the Lessee is entitled to operate its business on the Premises (A) during the term of the tenancy and the Lessor shall provide assistance in obtaining the business license and registering the subleasing agreements; or

LETTER FROM THE BOARD

(e) other breach of contract of the Lessor.

The Lessor shall be entitled to unilaterally terminate the Tenancy Agreement (A), forfeit the rental deposit and demand compensation for all losses incurred by the Lessor if any of the following events occurs:

(f) the Lessee operates illegal or immoral business on the Premises (A);

(g) the Lessee subleases the Premises (A) as a whole without the written consent of the Lessor;

(h) the Lessee unlawfully reconstructs or expands the Premises (A) without the consent of the Lessor;

(i) the Lessee defaults in payment of the rental deposit or the rents for more than 60 days due to its own fault and fails to rectify such default despite the Lessor's demand, unless such default is due to the fault of the Lessor;

(j) the Lessee subleases any part of the Premises (A) for a term exceeding the term of the Tenancy Agreement (A); or

(k) other breach of contract of the Lessee.

THE TENANCY AGREEMENT (B)

The principal terms of the Tenancy Agreement (B) are set out as follows:

Date: 28 March 2022

Parties: 1. The Lessor; and
2. the Lessee.

Premises: Rooms 201–232, No. 439, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou* (廣州市番禺區南村鎮漢溪大道東439號201–232房).

LETTER FROM THE BOARD

Term: Six years and three months commencing from 1 May 2022 to 31 July 2028 with rent-free period from 1 May 2022 to 31 August 2022.

The term under the Tenancy Agreement (B) aligns with the expiry date of the tenancy agreement entered into between Landlord (B) and the Lessor. Although the term under the tenancy agreement between the Landlord (B) and the Lessor does not cover the option term, the Directors are still of the view that the entering into the Tenancy Agreement (B) with an option term which aligns with the term of the Tenancy Agreement (A) would maximise the value and use of the Premises and therefore return of the Group when it comes to the Premises (A) and the Premises (B) together form the whole premises of Huaxin Hui Building 1 and 2 (華新匯1號及2號樓). In the event that the Lessee fails to renew the tenancy of the Tenancy Agreement (B) for a further term until 28 February 2035 within one year after the termination of the Tenancy Agreement (B) for any reasons, in particular if Landlord (B) refuses to renew the term of the tenancy in respect of the Premises (B) with the Lessor, the Directors are of the view that the impact of the termination of the Tenancy Agreement (B) on the subleasing business of the Group on a date earlier than the expiry date of the Tenancy Agreement (A) is not significant due to the separate subleasing operation, the unfettered access to the Premises (B) and the compensation to be made by the Lessor to the Group. For details, please refer to the paragraphs headed “The Tenancy Agreement (B) – Option to renew” below.

Rent: The total rent payable under the Tenancy Agreement (B) with respect of the Premises (B) is approximately RMB26,014,100 (inclusive of tax).

LETTER FROM THE BOARD

For the period from 1 May 2022 to 31 August 2022, the monthly rent shall be zero. The monthly rent payable by the Lessee to the Lessor shall be RMB320,710.36 (inclusive of tax) for the period from 1 September 2022 to 28 February 2023, and subject to an increment of 4.5% every year for the remaining term of the Tenancy Agreement (B). The rent under the Tenancy Agreement (B) was determined after arm's length negotiations between the Lessee and the Lessor and with reference to the prevailing market rent of comparable properties and the expected profit in subleasing of the Premises (B).

The basis for determining the annual rental incremental rate of 4.5% during the term of the Tenancy Agreement (B) is with reference to (i) the expected incremental rate to be charged to the sub-lessee(s) after renovation completed; and (ii) the prospects of the new commercial business development at which the Premises (B) is located.

In particular, the independent property valuer has assessed the market rents of the Premises (B) as at 28 March 2022 and issued the valuation report on 21 April 2022, which is set out in Appendix II to this circular. In determining the market rents, the independent property valuer adopted the market approach. The market approach considers rents recently paid for similar assets, with adjustments made to the indicated market rents to reflect the condition and utility of the appraised assets relative to the market comparable, assuming the lessor leases the properties in its existing state to lessee for terms over five years under normal leases. The independent property valuer has also taken into account the fact that the Premises (B) are located at an area with mainly medium to high-rise residential and commercial buildings, the walking distance between the Premises (B) and the metro station, and the accessibility of other public transport. While the Lessor is an Independent Third Party, the independent property valuer is of view that (i) the rents are fair and reasonable, which reflect prevailing market rates of comparable properties in similar location as at the Valuation Date; and (ii) the terms of the Tenancy Agreement (B) are comparable to normal commercial terms determined through arm's length negotiations and are no less favour to the Group than those available from independent third parties. Whilst the market monthly rental assessed by the independent property valuer is higher than the monthly rent payable under the Tenancy Agreement (B), the difference represents a discount as a result of the commercial negotiations between the parties after considering the long tenancy term for the Tenancy Agreement (B) and the fact that the Lessee has agreed to lease all of the units of Huaxin Hui Building 1 and 2.

LETTER FROM THE BOARD

The Company intended to use the Premises (B) for subleasing after renovation. The target sublessee(s) would be high ended restaurants, wine bars and retail stores. The expected average initial yield for the first three years after completion of renovation work ranged from approximately 4%–5% after taking into account the expected occupancy rate and expected market rental rate.

In view of such, the Directors (including the independent non-executive Directors) are of the view that the rent under the Tenancy Agreement (B) is fair and reasonable.

Rental deposit:	RMB962,131.08
Area:	Gross floor area of approximately 3,448.50 square meters
Manner of payment:	The monthly rent is payable by the Lessee to the Lessor before every 25th day of each month. The first month rental payment shall be paid by the Lessee before 1 May 2022 but after signing the Tenancy Agreement (B) and the rental deposit shall be paid by the Lessee within 15 business days after the Tenancy Agreement (B) becomes effective.
Use of the Premises:	The Group intends to use the Premises (B) for subleasing.
Sale of the Premises (B):	The Lessor agrees to ensure that the purchaser of the Premises (B) shall enter into a tenancy agreement with the Lessee with the same terms as the Tenancy Agreement (B) if the Premises (B) is sold to another party.
Option to renew:	The Lessor agrees that upon expiry of the term of the Tenancy Agreement (B), the Lessee shall have the right to request the Lessor to renew the tenancy of the Premises (B) and the Lessor shall compensate the Lessee if the Lessee cannot renew the tenancy of the Tenancy Agreement (B) for a further term until 28 February 2035, i.e. the expiry of the tenancy term of the Tenancy Agreement (A).

LETTER FROM THE BOARD

As the Premises (A) and the Premises (B) together form the whole premises of Huaxin Hui Building 1 and 2 (華新匯1號及2號樓), to maximise the value and use of the Premises and therefore return of the Group, the Directors consider it beneficial for the Group to enter into the terms of tenancy in respect of the Premises with the Lessor, which are aligned and expiring on the same date. In the event that the Lessee fails to renew the tenancy of the Tenancy Agreement (B) for a further term until 28 February 2035 within one year after the termination of the Tenancy Agreement (B) for any reasons, in particular if Landlord (B) refuses to renew the term of the tenancy in respect of the Premises (B) with the Lessor, the Lessor shall compensate to the Lessee for an amount equal to apportioned seven-year decoration expenses of the Premises B, which is calculated based on (i) 13 years of lease term, and (ii) the valuation to be prepared by an independent property valuer, subject to the negotiation between the parties thereof. Notwithstanding it is the Company's view that the successful renewal of the term of Tenancy Agreement (B) would maximise the return of the Group under the Tenancy Agreements, the Directors are of the view that the impact of the termination of the Tenancy Agreement (B) on the subleasing business of the Group on a date earlier than the expiry date of the Tenancy Agreement (A) is not significant as (i) the subleasing of the Premises (B) can be independently and separately operated from that of the Premises (A); (ii) the access to Premises (A) will not be adversely affected by the termination of the Tenancy Agreement (B); (iii) the expiry of the term of subleasing of the Premises (B) shall align with the expiry term of the Tenancy Agreement (B); (iv) the compensation that the Lessor has to pay to the Lessee is expected to cover the decoration costs incurred by the Group in respect of the Premises (B); and (v) the Group would closely monitor the progress of the renewal of the Tenancy Agreement (B) before the expiry of the term on 31 July 2028.

LETTER FROM THE BOARD

Conditions precedent:

The Tenancy Agreement (B) shall be conditional upon the following conditions precedent:

- (a) the Lessee having obtained the Shareholders' approval for the Tenancy Agreement (B) in accordance with the Listing Rules; and
- (b) the Lessee having completed the due diligence exercise on the Premises (B).

If the conditions precedent are not fulfilled by 30 April 2022, the Tenancy Agreement (B) shall cease to have effect and either party to the Tenancy Agreement (B) shall have no claim against the other party save for any antecedent breach or otherwise stipulated in the Tenancy Agreement (B).

Under the Tenancy Agreement (B), none of the conditions precedent is waivable. As at the Latest Practicable Date, the conditions precedent in respect of the Tenancy Agreement (B) have been fulfilled in accordance with the terms and conditions of the Tenancy Agreement (B).

Termination:

The Lessee shall be entitled to unilaterally terminate the Tenancy Agreement (B) and demand the Lessor to return to the Lessee an amount equivalent to twice the amount of rental deposit and compensate the Lessee against all losses incurred by the Lessee if any of the following events occurs:

- (a) the Lessor unilaterally terminates the Tenancy Agreement (B) without the written consent of the Lessee;
- (b) the Lessor fails to deliver the Premises (B) to the Lessee in accordance with the terms of the Tenancy Agreement (B) including but not limited to the event that Premises (B) cannot be used for the purpose as stipulated in the Tenancy Agreement (B) or there is dispute on the title to the Premises (B);
- (c) the Premises (B) is transferred which prejudices the rights of the Lessee in the tenancy;

LETTER FROM THE BOARD

- (d) the Lessor breaches any of the following warranties (i) the Lessor has right to lease the Premises (B) to the Lessee free from encumbrance; (ii) the Lessee is entitled to operate its business on the Premises (B) during the term of the tenancy and the Lessor shall provide assistance in obtaining the business license and registering the subleasing agreements; or
- (e) other breach of contract of the Lessor.

The Lessor shall be entitled to unilaterally terminate the Tenancy Agreement (B), forfeit the rental deposit and demand compensation for all losses incurred by the Lessor if any of the following events occurs:

- (f) the Lessee operates illegal or immoral business on the Premises (B);
- (g) the Lessee subleases the Premises (B) as a whole without the written consent of the Lessor;
- (h) the Lessee unlawfully reconstructs or expands the Premises (B) without the consent of the Lessor;
- (i) the Lessee defaults in payment of the rental deposit or the rents for more than 60 days due to its own fault and fails to rectify such default despite the Lessor's demand, unless such default is due to the fault of the Lessor;
- (j) the Lessee subleases any part of the Premises (B) for a term exceeding the term of the Tenancy Agreement (B); or
- (k) other breach of contract of the Lessee.

The payment of the monthly rent, the rental deposit and other relevant expenses will be funded by the internal resources of the Group.

LETTER FROM THE BOARD

THE RIGHT-OF-USE ASSETS

The unaudited value of the right-of-use assets recognised by the Company amounted to approximately RMB115.1 million in aggregate which is calculated with reference to the present value of the aggregate lease payment under the Tenancy Agreements. The discount rates of approximately 7.32% and 7.5% (the “Discount Rates”) are applied to compute the present value of the aggregate lease payments under the Tenancy Agreements.

In accordance with HKFRS 16, the Discount Rates refer to incremental borrowing rates of the lessee, which were assessed and estimated by Graval Consulting Limited. An incremental borrowing rate is the rate that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. Therefore, each of the Discount Rates was derived under build-up method by the sum of China risk-free rate with similar tenor, option-adjusted spread of the comparable bonds with similar credit profile, liquidity risk premium and country risk premium.

FINANCIAL EFFECTS ON ENTERING INTO THE TENANCY AGREEMENTS

The unaudited value of the right-of-use assets to be recognised by the Group under the Tenancy Agreements amounted to approximately RMB115.1 million in aggregate which is calculated with reference to the present value of the aggregate lease payment under the Tenancy Agreements. The Discount Rates are applied to compute the present value of the aggregate lease payments under the Tenancy Agreements. The right-of-use asset will be depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Interest expenses on the lease liabilities will be recognised at the rate of 7.32% and 7.5% per annum respectively. After the commencement date of the leases, the lease liabilities are adjusted by the interest accretion and lease payments.

Upon commencement of the lease term under the Tenancy Agreements, the consolidated total assets of the Group are expected to increase by approximately RMB115.1 million, and a corresponding amount of lease liabilities of approximately RMB115.1 million will be recognised at the same time. The Group expects the transaction contemplated under the Tenancy Agreements will increase the annual depreciation charges of right-of-use assets by approximately RMB9.7 million and finance costs in relation to the lease liability by approximately RMB7.9 million in the financial year ending 31 March 2023. However, the rental expense of the Group is expected to be decreased by approximately RMB7.7 million in the financial year ending 31 March 2023.

INFORMATION ON THE PARTIES

The Company

The Group is principally engaged in (i) the provision of foundation (including the construction of mini-piles, rock-socketed steel H-piles and driven steel H piles) and other civil works (including site formation works, and road and pavement works) and tunnelling works

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(including pipe jacking, hand dig tunnel and cut-and-over tunnel works) in Hong Kong and overseas and (ii) sub-leasing of premises in the PRC.

The Lessee

The Lessee is a company established in the PRC with limited liability which is principally engaged in business servicing including leasing of properties and provision of property management service. As at the Latest Practicable Date, it is an indirect non wholly-owned subsidiary of the Company and is owned as to 10% by Mr. Mo Qihang (莫啟航), and 90% by YH Qing Chuang, which in turn owned indirectly as to 70% by the Company and 30% by HKS. HKS is an investment holding company which is wholly owned by Mr. Yeung Ka Sing (楊家聲). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Mo Qihang is also a shareholder holding 10% shareholding in Guangzhou Qingchuang Tiandi Commercial Operation Management Co., Ltd.* (廣州青創天地商業運營管理有限公司), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company. Therefore, (i) Mr. Yeung Ka Sing and HKS are the Company's connected persons on the subsidiary level by virtue of holding 30% interest in the Company's subsidiary, i.e. YH Qing Chuang; and (ii) Mr. Mo Qihang is also the Company's connected person on the subsidiary level by virtue of holding 10% interest in each of the Company's subsidiaries, i.e. the Lessee and Guangzhou Qingchuang Tiandi Commercial Operation Management Co., Ltd.

The Lessor

Based on publicly available information, the Lessor is a company established in the PRC with limited liability which is principally engaged in property management and real estate investment. As at the Latest Practicable Date, the Lessor is owned as to 70% by Huaxin Holdings and 30% by Mr. Lui Sheng (呂勝). Huaxin Holdings is a company established in the PRC with limited liability which is principally engaged in provision of real estate development and leasing business and is owned as to 80% by Guangzhou Huaxin and 20% by Mr. Feng HanXin (馮翰新). Guangzhou Huaxin is a company established in the PRC with limited liability which is principally engaged in provision of business consultation service and is owned as to approximately 99.54% by Mr. Feng YaoLiang (馮耀良) and remaining approximately 0.46% by two individuals. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Lessor and its ultimate beneficial owner(s) are Independent Third Parties.

Landlord (A), Landlord (B) and Huayue Property

Based on publicly available information, Landlord (A) is a company established in the PRC with limited liability owned as to 36% by Landlord (B) and 64% by Guangzhou Huaxin. It is principally engaged in provision of business consultation service.

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Based on publicly available information, Landlord (B) is a state-owned enterprise owned as to 90% by the People's Government of Panyu, Guangzhou city, and 10% by the Department of Finance of Guangdong Province. It is principally engaged in provision of business consultation service and assets management.

Based in publicly available information, Huayue Property is a company established in the PRC with limited liability which is principally engaged in real estate development and property management and is wholly owned by Guangzhou Huaxin, hence a fellow subsidiary of Landlord (A).

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, Landlord (A), Landlord (B) and Huayue Property and their ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE TENANCY AGREEMENTS

As disclosed in the 2019/20 annual report of the Company, the Group has been diversifying the business of the Group and will continue its strategic strategy to diversify the business spectrum and to broaden the revenue base of the Group. As disclosed in the announcement of the Company dated 19 September 2017, the Group entered into the subscription agreement to participate in the investment and development of a property situate at Windmill Street, Birmingham, the United Kingdom. Further, on 25 March 2021, the Group entered into a cooperation agreement in respect of subleasing business of certain properties in Guangzhou. On 31 March 2021, the Group also entered into another cooperation agreement in respect of subleasing business of certain properties in Guangzhou. On 23 September 2021, the Group entered into a tenancy agreement in respect of subleasing business of certain properties in Guangzhou. Leveraging on the previous experience of the Group in property investment and development, the Directors consider that the Tenancy Agreements provide the Group with an opportunity to further diversify and participate in the properties related business in the PRC and broaden its assets and earning base. The Group intends to further develop the sub-leasing business by entering into the Tenancy Agreements which the Premises are situated in Guangzhou, a first-tier city in the PRC, with stable lease market and lower business risk.

The Premises (A) and The Premises (B) together form the whole premises of Huaxin Hui Building 1 and 2 (華新匯1號及2號樓) but are owned by Landlord (A) and Landlord (B) respectively. While Landlord (B) has leased the Premises (B) to the Lessor, Landlord (A) has leased the Premises (A) to Huayue Property, the fellow subsidiary of the Lessor. In order to maximise the value and use of the Premises, before entering into the Tenancy Agreements with the Lessee, the Lessor had entered into a sub-lease with Huayue Property, pursuant to which Huayue Property sub-leased the Premises (A) to the Lessor. By entering into the Tenancy Agreements, the Lessee has secured and obtained the right to sub-lease the whole premises of Huaxin Hui Building 1 and 2 to its tenants. To maintain the stability of the sub-leasing business and attract long-term tenants, the Lessee and the Lessor agreed to a lease term of approximately 13 years for both the Premises (A) and the Premises (B) (comprising the initial term and the option term).

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Further, the Directors note that the terms of the tenancy arrangement between the Lessee and the Lessor in respect of the Premises represented a good business opportunity. Under the Tenancy Agreements, the Lessor shall offer rent-free period to the Lessee during the period from the commencement of the tenancy, i.e. from 1 May 2022 to 31 August 2022. Leveraging on the Group's experience in properties related business and the Group's wider business connections, the Board is of the view that the Group will be able to locate more sub-tenants and better develop the subleasing business in respect of the Premises.

Based on the aforesaid, the Directors (including the independent non-executive Directors) consider that the terms of the Tenancy Agreements and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Group, are fair and reasonable, on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

Pursuant to HKFRS 16, the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreements. Therefore, the entering into of the Tenancy Agreements and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules. The unaudited value of right-of-use assets recognised by the Company under the Tenancy Agreements amounted to approximately RMB115.1 million in aggregate.

In addition, the Directors consider that since the Tenancy Agreements were entered into with the same Lessor, the transaction contemplated under the Tenancy Agreements shall be aggregated under Rule 14.22 of the Listing Rules.

As one or more of the relevant applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Tenancy Agreements on aggregate basis are more than 25% but less than 100%, the Tenancy Agreements on aggregate basis constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, circular and shareholders' approval requirements under the Listing Rules.

SHAREHOLDERS' WRITTEN APPROVAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has a material interest in the Tenancy Agreements and as such, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Tenancy Agreements. As at the Latest Practicable Date, Mr. Jim (through JJ1318) and Mr. Chui are the founders of the Company and therefore are a closely allied group of Shareholders who own 201,250,000 Shares and 126,750,000 Shares representing 40.25% and 25.35% of the entire issued share capital of the Company respectively. They together beneficially hold 328,000,000 Shares, representing 65.60% of the entire issued share capital of the Company. Written approval of the Tenancy Agreements has been obtained from JJ1318 and Mr. Chui. Pursuant to Rule 14.44 of the Listing Rules, such written approval

LETTER FROM THE BOARD

can be accepted in lieu of holding a general meeting of the Company, and accordingly, no general meeting of the Company will be convened for the purpose of approving the Tenancy Agreements.

According to the information, belief and knowledge of the Directors, JJ1318 was wholly-owned by Mr. Jim. Mr. Jim was acquainted with Mr. Chui for around 33 years and they had various business cooperation, including premises sub-leasing in Hong Kong. Further, Mr. Jim, JJ1318 and Mr. Chui had a long history of holding in the Company. They became the Shareholders when the listing of the Shares commenced in or around 2015. Mr. Jim and Mr. Chui, as executive Directors, are actively involved in the decision-making of major resolutions at the Board meetings of the Company and have voted in the same way on all resolutions at the Board meetings of the Company in recent years, except for cases of abstention from voting or absence from the Board meetings. In view of the above, the Directors were of the view that Mr. Jim, JJ1318 and Mr. Chui were a closely allied group of Shareholders.

Shareholders and potential investors of the Company should be aware that the Tenancy Agreements are subject to a number of conditions being satisfied, and consequently the Tenancy Agreements may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Yee Hop Holdings Limited
Jim Yin Kwan Jackin
Chairman and Executive Director

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Consolidated financial information of the Group for each of the three financial years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.yee-hop.com.hk) respectively:

- Annual report for the year ended 31 March 2019 (pages 54 to 183)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0726/ltn20190726413.pdf>
- Annual report for the year ended 31 March 2020 (pages 57 to 200)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0730/2020073000953.pdf>
- Annual report for the year ended 31 March 2021 (pages 61 to 200)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0722/2021072200614.pdf>
- Interim report for the six months ended 30 September 2021 (pages 4 to 43)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1222/2021122200358.pdf>

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 28 February 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular, the indebtedness of the Group was as follows:

1. The Group had bank borrowings of approximately HK\$29.4 million. The bank borrowings comprised of (i) HK\$20.4 million was related to the Group which was guaranteed by the Company and its subsidiaries; and (ii) remaining HK\$9.0 million was related to the Group which was unsecured and unguaranteed.
2. The Group had other borrowings of approximately HK\$13.2 million. The other borrowings comprised of approximately RMB11.0 million (equivalent to approximately HK\$13.2 million) which was secured by ownership interests in leasehold or improvement and other receivables.
3. The Group had outstanding lease liabilities of approximately HK\$139.0 million. The lease liabilities of (i) approximately HK\$0.4 million were charged over the leased assets and unguaranteed; and (ii) remaining HK\$138.6 million were unsecured and unguaranteed.
4. The Group had contingent liabilities of approximately HK\$45.3 million related to guarantees in respect of performance bonds in favor of its clients.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 28 February 2022, the Group did not have any outstanding mortgages, charges, debenture, loan capital, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debt securities (whether issued and outstanding or authorized or otherwise created but unissued), guarantees or other material contingent liabilities.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after due and careful enquiry and taking into account the existing bank balances and cash, internal resources, available credit facilities, the Group will have sufficient working capital for its present requirements for a period of 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in (i) the provision of foundation (including the construction of mini-piles, rock-socketed steel H-piles and driven steel H piles) and other civil works (including site formation works, and road and pavement works) and tunneling works (including pipe jacking, hand dig tunnel and cut-and-over tunnel works) in Hong Kong and overseas, (ii) research and development and breeding, sales and trading of aquatic products in the PRC and (iii) sub-leasing of premises in the PRC.

In late March 2021, the Group diversified and expanded to sub-leasing business by entering two cooperation agreements which relate to premises situated in Guangzhou, a first-tier city in the PRC.

The Group has also invested in an associated company for the purpose of the development of the Birmingham Property Project. The Birmingham Property Project consists of 304 residential apartments situated at the Windmill Street, Birmingham, the United Kingdom. During the financial year ended 31 March 2021, 74.3% of the apartments have been sold and share of profits from the Birmingham Property Project were approximately HK\$19.0 million.

During the financial year ended 31 March 2021, the Group recorded a consolidated revenue of approximately HK\$1,056.5 million, representing an increase of 7.8% from the financial year ended 31 March 2020. Gross profit of the Group amounted HK\$120.6 million, an increase of 10.0% from the financial year ended 31 March 2020. Profit attributable to owners of the Company amounted to HK\$49.3 million representing an increase of 100.6% as compared to that in the financial year ended 31 March 2020. Earnings per share was HK\$0.10 for the financial year ended 31 March 2021 comparing with HK\$0.05 for the financial year ended 31 March 2020. The Group maintained healthy financial position with net current assets of HK\$131.8 million and net cash position at the financial year end.

Despite the challenges and difficulties, with the dedicated support of the Group's staff and customers, the Group has been successfully awarded 12 contracts with original contract sums of totalling HK\$553.8 million and the outstanding contract value (based on the original contract value) as at 31 March 2021 amounted to approximately HK\$586.2 million.

When compared with other industries in Hong Kong, the construction industry is less affected under the current economic environment. To support the employment market, the Hong Kong SAR Government has adopted expansionary fiscal measures which include continuous investment in infrastructure projects. The Group is cautiously optimistic about the construction market in the medium to the long term.

The COVID-19 pandemic has halted the economy of many countries around the world with closure of borders and movement control restrictions. Even with roll-out of vaccination programs, the recovery of the economy and the confidence of customers take time. The management is of the view that the Hong Kong economy would be challenging with the new norm that the COVID-19 would not die out in the short run, but is still cautiously optimistic about the Group's core business performance in the coming year. The Group will take a cautious approach in its business planning to weather the current unfavourable environment.

The following is the text of letter, summary of valuation and valuation report, prepared for the purpose of incorporation in this circular, received from Graval Consulting Limited, an independent property valuer, in connection with their valuation as at 28 March 2022 of the property interests to be leased by the Group in the People's Republic of China.



Graval Consulting Limited
Suite 2401-02, 24/F
Shui On Centre, 6-8 Harbour Road
Wanchai, Hong Kong

21 April 2022

The Board of Directors
Yee Hop Holdings Limited
Unit 1104-06
Nan Fung Commercial Centre
19 Lam Lok Street
Kowloon Bay, Hong Kong

Dear Sirs,

Re: Valuation of Market Rent of various properties located at Guangzhou City, Guangdong Province, the People's Republic of China (the "**Properties**")

In accordance with the instructions from Yee Hop Holdings Limited (the "**Company**") for us to value market rent of property interests to be leased by the Company and any of its subsidiaries (collectively the "**Group**") in the People's Republic of China (the "**China**" or the "**PRC**"), we confirm that we have made relevant enquires and obtained such further information as we consider necessary for providing you with our opinion of market rent of the Properties as at 28 March 2022 ("**Valuation Date**") for incorporation in circular issued by the Company (the "**Circular**").

This letter, forming part of our valuation report, identifies the property interests being valued, explains the basis and methodology of our valuation, and lists out the assumptions and title investigation, which we have made in the course of our valuation, as well as the limiting conditions.

1. PREMISE OF VALUE

Our opinion of market rent is defined to mean "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation is prepared in accordance with the RICS Valuation – Global Standards 2021 published by the Royal Institution of Chartered Surveyors (RICS), HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors (HKIS) and the Rules of Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) published by The Stock Exchange of Hong Kong Limited (“**SEHK**”).

2. VALUATION METHODOLOGIES

In valuing the Properties, we have adopted the market approach. The market approach considers rents recently paid for similar assets, with adjustments made to the indicated market rents to reflect the condition and utility of the appraised assets relative to the market comparable, assuming the lessor leases the Property in its existing state to lessee for terms over 5 years under normal leases.

3. TITLE INVESTIGATION

We have been shown copies of various title documents, tenancy agreements and other documents relating to the property interests and have made relevant enquiries. However, we have not examined the original documents and assumed that the copies of the documents obtained are consistent with their originals. We have relied considerably on the information given by the Group’s PRC legal advisers, Zhuoxin Law Firm, concerning the validity of the title to the property interest located in the PRC.

4. AREA MEASUREMENT AND INSPECTION

We have not carried out detailed measurements to verify the correctness of the area in respect of the Properties but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Due to the COVID-19 pandemic, we have not inspected the appraised Properties. No structural survey has been made and we are not able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory.

5. VALUATION ASSUMPTIONS

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term as granted and is entitled to transfer the property interests with the residual term without payment of any further premium to the government authorities or any third parties.

Our valuation has been made on the assumption that the owner leases the property interests on the open market in its existing state without the benefit or deferred terms contract, management agreement or any similar arrangement which could serve to affect the market rent of the property interests. No forced sale (lease) situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests or for any expenses or taxation which may be incurred in effecting a transaction. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect their market rents.

All consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their market rent. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interests and improvements are within the boundaries of the property interests described and that no encroachment or trespass exists, unless noted in the valuation report.

6. LIMITING CONDITIONS

We have relied on a considerable extent on information provided by you and have accepted advise given to us on such matters as planning approvals, statutory notices, easements, tenure, occupancy, lettings, site and floor areas, room and facilities schedule and in the identification of the Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material facts have been omitted from the information provided. All documents have been used as reference only. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out investigation to determine the suitability of the ground conditions or the services for any property developments to be erected thereon. Our valuation is on the basis that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Moreover, it is assumed that the utilization of the land and improvements will be within the boundaries of the sites held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exists, unless noted in the valuation report.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assured unless otherwise stated, defined and considered in the valuation report.

Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

As at the Valuation Date, we continue to be faced with an unprecedented set of circumstances caused by Novel Coronavirus (COVID-19) and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the Property(ies) is(are) therefore reported as being subject to “material valuation uncertainty” as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards (2021 Edition).

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt this explanatory note, including the “material valuation uncertainty” declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the Valuation Date. We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

7. REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). The exchange rate adopted in valuing the property interest in the PRC as at the Valuation Date was RMB1: HK\$1.2. There has been no significant fluctuation in the exchange rate for this currency against Hong Kong Dollars between that date and the date of this letter.

The English transliteration of the Chinese name(s) in this valuation report, where indicated by an asterisk (*), is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).

We hereby confirm that we have neither present nor prospective interests in the Company, the Property or the value reported herein. Our valuation summaries are enclosed herewith.

Respectfully submitted,

For and on behalf of

GRAVAL CONSULTING LIMITED

Lawrence Chan Ka Wah

MRICS MHKIS RPS(GP) MHIREA MCIREA

RICS Registered Valuer

Partner

Analysed and reported by : **Cris K.L. Chan**
Assistant Manager

Mr. Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section, a RICS Registered Valuer and a member of the China Institute of Real Estate Appraisers and Agents, who has over 18 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Region. Lawrence joined Graval Consulting Limited in 2020.

Mr. Cris K.L. Chan was graduated from The University of Hong Kong who has over 13 years' experience in the valuation of property in Hong Kong, Macau, the PRC and the Asia-Pacific Region. Cris jointed Graval Consulting Limited in 2020.

APPENDIX I – VALUATION SUMMARY

Properties	Monthly market rent in existing state as at 28 March 2022 <i>(inclusive of value-added tax, but exclusive of management fee, water and electricity charges and other operative outgoings)</i>
Property interests to be leased by the Group in the PRC for investment purpose	
1. Rooms 101–118, 301–332, 401–409, No. 439 Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, Room 101, Nos. 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, and Rooms 201–221, No. 236, Hui Zhi Er Road, Nancun Town, Panyu District, Guangzhou City, Guangdong Province, the PRC* (the “ Property (A) ”) (中國廣東省廣州市番禺區南村鎮漢溪大道東439號101–118, 301–332, 401–409房、廣州市番禺區南村鎮漢溪大道東441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465號101房及 匯智二路236號物業201–221房)	RMB839,000
2. Rooms 201–232, No. 439, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou City, Guangdong Province, the PRC* (the “ Property (B) ”)(中國廣東省廣州市番禺區南村鎮漢溪大道東 439號201–232房)	RMB326,000
Total:	RMB1,165,000

Property	Description and tenure	Particulars of occupancy	Monthly market rent in existing state as at 28 March 2022
Property interests to be leased by the Group for investment purpose			
1. Rooms 101–118, 301–332, 401–409, No. 439 Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, Room 101, Nos. 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou, and Rooms 201–221, No. 236, Hui Zhi Er Road, Nancun Town, Panyu District, Guangzhou City, Guangdong Province, the PRC* (the “ Property (A) ”) (中國廣東省廣州市番禺區南村鎮漢溪大道東439號101–118, 301–332, 401–409房、廣州市番禺區南村鎮漢溪大道東441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465號101房及匯智二路236號物業201–221房)	The Property (A) comprises 21 shop units on Level 2 of a 33-storey composite building and 72 shop units on Levels 1, 3 and 4 of a 5-storey commercial building completed in 2018. The Property (A) has a total gross floor area of approximately 8,334.07 sq.m. The land use rights of the Property (A) were granted for a term of 40 years commencing on 8 November 1998 for commercial use.	The Property (A) was vacant as at the Valuation Date.	RMB839,000 <i>(inclusive of value-added tax, but exclusive of management fee, water and electricity charges and other operative outgoings)</i>

Notes:

- (1) Pursuant to the 93 Real Estate Ownership Certificates, the land use rights of the Property (A) were granted to Guangzhou Wanchuang Investment Management Co., Ltd *廣州市萬創投資管理有限公司 (the “**Landlord (A)**”) for a term of 40 years commencing on 8 November 1998 for commercial use.

Moreover, as stipulated in the Real Estate Ownership Certificates, the ownership of the buildings of the Property (A) with a total gross floor area of approximately 8,334.07 sq.m. were vested in the Landlord (A) for commercial use.

- (2) According to a tenancy agreement (the “**Tenancy Agreement (A)**”) dated 28 March 2022 entered into between Guangzhou Huncheng Capital Management Co., Ltd* (廣州混城資本管理有限公司) (the “**Lessor**”) and Guangzhou Qingchuang Wangdi Commercial Operation Management Company Limited (廣州青創旺地商業運營管理有限公司) (the “**Lessee**”), the Property (A) is leased from the Lessor to the Lessee for a term commencing on 1 May 2022 and expiring on 28 February 2035 at a monthly rental as follows (the “**Existing Rental**”):

Lease Term(s)	Monthly Rental (RMB) <i>(inclusive of value-added tax, but exclusive of management fee, water and electricity charges and other operative outgoings)</i>
1 May 2022 to 31 August 2022	Rent-free period
1 September 2022 to 28 February 2023	775,068.51
1 March 2023 to 29 February 2024	809,946.59
1 March 2024 to 28 February 2025	846,394.19
1 March 2025 to 28 February 2026	884,481.93
1 March 2026 to 28 February 2027	924,283.61
1 March 2027 to 29 February 2028	965,876.38
1 March 2028 to 28 February 2029	1,009,340.81
1 March 2029 to 28 February 2030	1,054,761.15
1 March 2030 to 28 February 2031	1,102,225.40
1 March 2031 to 29 February 2032	1,151,825.55
1 March 2032 to 28 February 2033	1,203,657.70
1 March 2033 to 28 February 2034	1,257,822.29
1 March 2034 to 28 February 2035	1,314,424.30

- (3) According to information provided by the Company, the Lessor is a fellow subsidiary of the Landlord (A). The Property (A) was leased from the Landlord (A) to the Lessor.
- (4) We consider that the Existing Rental is fair and reasonable, which reflect prevailing market rates of comparable properties in similar location as at the Valuation Date; and the terms of the Tenancy Agreement (A) are comparable to normal commercial terms determined through arm’s length negotiations and are no less favour to the Group than those available from independent third parties.
- (5) The Property (A) is located on the north-western side of Hanxi Dadao East, at its junction with Hui Zhi Er Road, buildings in the locality are mainly medium to high-rise residential and commercial buildings. Guangzhou Metro Nancun Wanbo Station is approximately 10-minutes walking distance from the Property. Metro, taxis and buses are accessible to the Property (A).
- (6) The market monthly unit rent of Level 1 commercial premises in the locality as at the Valuation Date is in the range of RMB170 to RMB200 per sq.m. gross floor area.
- (7) According to the information provided by the Group, the Lessee is an indirectly non-wholly owned subsidiary of the Group.
- (8) As confirmed by the Company, the Lessor is an independent third party, which is not connected to the Group.
- (9) According to information provided by the Company, the Property (A) has been vacant since it was completed in 2018.

The Property (A) and Property (B) together formed the whole premises of Huaxin Hui Building 1 and 2 (華新匯1號及2號樓) but are owned by Landlord (A) and Landlord (B) respectively. Property (A) and Property (B) were developed for sub-leasing purpose and originally operated by Guangzhou Huayue Property Service Co., Ltd* (廣州華悅物業服務有限公司) (“**Huayue Property**”) and Landlord (B) respectively. Huayue Property is the fellow subsidiary of Landlord (A), and Landlord (A) is a non-wholly owned subsidiary of Guangzhou Huaxin Group

Holdings Co., Ltd.* (廣州華新集團控股有限公司) (“**Huaxin Holdings**”). Since Huaxin Holdings and Landlord (B) re-deploy the resource in focusing real estate development, and intended to sub-lease Property (A) and Property (B) to outside party.

- (10) We have been provided with a legal opinion on the Property (A) prepared by the Company’s PRC legal adviser, Zhuoxin Law Firm, which contains, inter alia, the following information:
- (a) the Landlord (A) is the owner of the Property (A) and is entitled to lease to Property (A);
 - (b) Pursuant to 2 Confirmation Letters for Consent to Sub-lease, the Landlord (A) has authorised the Lessor to sub-lease the Property (A) to the Lessee, and the Lessee is authorised to sub-lease the Property (A) to other sub-tenants;
 - (c) the Tenancy Agreement (A) is legally binding; and
 - (d) the Property (A) is free from any charges, orders and other legal encumbrances which may cause adverse effects to the ownership of the Property (A).

Property	Description and tenure	Particulars of occupancy	Monthly market rent in existing state as at 28 March 2022
2. Rooms 201–232, No. 439, Hanxi Dadao East, Nancun Town, Panyu District, Guangzhou City, Guangdong Province, the PRC* (the “ Property (B) ”) (中國廣東省廣州市番禺區南村鎮漢溪大道東439號201–232房)	<p>The Property (B) comprises 32 shop units on Level 2 of a 5-storey commercial building completed in 2018.</p> <p>The Property (B) has a total gross floor area of approximately 3,448.5 sq.m.</p> <p>The land use rights of the Property were granted for a term of 40 years commencing on 8 November 1998 for commercial use.</p>	The Property (B) was vacant as at the Valuation Date.	RMB326,000 (inclusive of value-added tax, but exclusive of management fee, water and electricity charges and other operative outgoings)

Notes:

- (1) Pursuant to the 32 Real Estate Ownership Certificates, the land use rights of the Property (B) were granted to Guangzhou Panyu Information Technology Investment Development Co., Ltd.* (廣州市番禺信息技術投資發展有限公司) (the “**Landlord (B)**”) for a term of 40 years commencing on 8 November 1998 for commercial use.

Moreover, as stipulated in the Real Estate Ownership Certificates, the ownership of the buildings of the Property (B) with a total gross floor area of approximately 3,448.5 sq.m. were vested in the Landlord (B) for commercial use.

- (2) According to a tenancy agreement (the “**Tenancy Agreement (B)**”) dated 28 March 2022 entered into between Guangzhou Huncheng Capital Management Co., Ltd* (廣州混城資本管理有限公司) (the “**Lessor**”) and Guangzhou Qingchuang Wangdi Commercial Operation Management Company Limited (廣州旺地商業運營管理有限公司) (the “**Lessee**”), the Property (B) is leased from the Lessor to the Lessee for a term commencing on 1 May 2022 and expiring on 31 July 2028 at a monthly rental as follows (the “**Existing Rental**”):

Lease Term(s)	Monthly Rental (RMB) (inclusive of value-added tax, but exclusive of management fee, water and electricity charges and other operative outgoings)
1 May 2022 to 31 August 2022	Rent-free period
1 September 2022 to 28 February 2023	320,710.36
1 March 2023 to 29 February 2024	335,142.33
1 March 2024 to 28 February 2025	350,223.73
1 March 2025 to 28 February 2026	365,983.80
1 March 2026 to 28 February 2027	382,453.07
1 March 2027 to 29 February 2028	399,663.46
1 March 2028 to 28 July 2028	417,648.32

- (3) According to information provided by the Company, the Lessor is an independent third party of the Landlord (B). The Property (B) was leased from the Landlord (B) to the Lessor.

- (4) We consider that the Existing Rental is fair and reasonable, which reflect prevailing market rates of comparable properties in similar location as at the Valuation Date; and the terms of the Tenancy Agreement (B) are comparable to normal commercial terms determined through arm's length negotiations and are no less favour to the Group than those available from independent third parties.
- (5) The Property (B) is located on the north-western side of Hanxi Dadao East, at its junction with Hui Zhi Er 2nd Road, buildings in the locality are mainly medium to high-rise residential and commercial buildings. Guangzhou Metro Nancun Wanbo Station is approximately 10-minutes walking distance from the Property (B). Metro, taxis and buses are accessible to the Property (B).
- (6) The market monthly unit rent of Level 1 commercial premises in the locality as at the Valuation Date is in the range of RMB170 to RMB200 per sq.m. gross floor area.
- (7) According to the information provided by the Group, the Lessee is an indirectly non-wholly owned subsidiary of the Group.
- (8) As confirmed by the Company, the Lessor is an independent third party, which is not connected to the Group.
- (9) According to information provided by the Company, the Property (B) has been vacant since it was completed in 2018.

The Property (A) and Property (B) together formed the whole premises of Huaxin Hui Building 1 and 2 (華新匯1號及2號樓) but are owned by Landlord (A) and Landlord (B) respectively. Property (A) and Property (B) were developed for sub-leasing purpose and originally operated by Guangzhou Huayue Property Service Co., Ltd* (廣州華悅物業服務有限公司) (“**Huayue Property**”) and Landlord (B) respectively. Huayue Property is the fellow subsidiary of Landlord (A), and Landlord (A) is a non-wholly owned subsidiary of Guangzhou Huaxin Group Holdings Co., Ltd.* (廣州華新集團控股有限公司) (“**Huaxin Holdings**”). Since Huaxin Holdings and Landlord (B) re-deploy the resource in focusing real estate development, and intended to sub-lease Property (A) and Property (B) to outside party.

- (10) We have been provided with a legal opinion on the Property (B) prepared by the Company's PRC legal adviser, Zhuoxin Law Firm, which contains, inter alia, the following information:
 - (a) the Landlord (B) is the owner of the Property (B) and is entitled to lease to Property (B);
 - (b) Pursuant to a Confirmation Letter for Consent to Sub-lease, the Landlord (B) has authorised the Lessor to sub-lease the Property (B) to the Lessee, and the Lessee is authorised to sub-lease the Property (B) to other sub-tenants;
 - (c) the Tenancy Agreement (B) is legally binding; and
 - (d) the Property (B) is free from any charges, orders and other legal encumbrances which may cause adverse effects to the ownership of the Property (B).

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 or this circular misleading.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests and Short Positions of Directors' and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at the Latest Practicable Date, the interests of Directors and chief executive of the Company in the shares, underlying shares and debentures (within the meaning of Part XV of the SFO) of the Company and 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 he is taken or deemed to have under such provisions of SFO), or are required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code are listed as follows:

(a) Long position in Shares

Name of Director	Capacity/nature of interest	Number of Shares interested	Approximate percentage of shareholding interests of our Company
Mr. Jim	Interest in a controlled corporation	201,250,000 Shares	40.25%
Mr. Chui Mo Ming	Beneficial owner	126,750,000 Shares	25.35%

Name of Director	Capacity/nature of interest	Number of Shares interested	Approximate percentage of shareholding interests of our Company
Mr. Xu JunMin	Beneficial owner	27,000,000 Shares	5.40%
Mr. Wang Jian	Beneficial owner	20,000,000 Shares	4.00%

(b) Long position in JJ1318, an associated corporation of the Company

Name of Director	Capacity/nature of interest	Approximate percentage of shareholding interests of our Company
Mr. Jim	Beneficial owner	100%

Save as disclosed above, none of the Directors, chief executives of the Company and/or any of their respective associates had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of part XV of the SFO) as at the Latest Practicable Date 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 he is taken or deemed to have under such provisions of SFO), or are required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Interests and Short Positions of Substantial Shareholders in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than the Directors and chief executives of the Company) had interests or short positions in the Shares, underlying Shares and debentures of the Company which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or are required, pursuant to Section 336 of the SFO, to be recorded in the register required to be kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long positions in the Shares

Name	Capacity/nature of interest	Number of Shares interested	Approximate percentage of shareholding interests of our Company
JJ1318	Beneficial owner	201,250,000 Shares	40.25%

Save as disclosed above, the Directors are not aware of any other persons who have interests or short positions in the Shares and underlying Shares of the Company (other than the Directors and chief executive of the Company whose interests are set out in the section “Interests and Short Positions of Directors’ and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO), or are required, pursuant to Section 336 of the SFO, to be recorded in the register required to be kept by the Company, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any members of the Group which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENT AND ASSETS OF THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in the assets which had been, since 31 March 2021, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, the interests of Directors in the business which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules were as follows:

Name of Directors	Competing companies	Nature of interests	Nature of competing business
Mr. Jim	HKQCH and its direct and indirect subsidiaries	Director of HKQCH and its direct and indirect subsidiaries	Leasing of properties and provision of property management service
Mr. Yan	HKQCH	Director of HKQCH	Leasing of properties and provision of property management service

Save as the aforesaid, as at the Latest Practicable Date, none of the Directors or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

6. MATERIAL ADVERSE CHANGE

As disclosed in the profit warning announcement dated 22 November 2021, the Group is expected to record a loss before taxation of not more than HK\$18.0 million for the six months ended 30 September 2021 as compared with a profit before taxation of approximately HK\$13.4 million recorded for the corresponding period in 2020. Save as the above, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published audited consolidated accounts of the Group were made up.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims of material importance to the Group and no litigation, arbitration or claims of material importance to the Group was known to the Directors to be pending or threatened by or against any members of the Group.

8. EXPERT AND CONSENT

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

Name	Qualification
Graval Consulting Limited	Independent property valuer

As at the Latest Practicable Date, the above expert:

- (a) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter or opinions or advice and references to its name, in the form and context in which they appear;
- (b) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2021, being the date to which the latest published audited consolidated financial statements of the Company were made.

9. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Group) had been entered into by members of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date:

1. the deep discount bond instrument dated 17 April 2020 between Windmill Street Development Limited and Yee Hop Investments Limited in relation to subscription of bond at the issued price of £630,000;
2. the deep discount bond instrument dated 27 April 2020 between Windmill Street Development Limited and Yee Hop Investments Limited in relation to subscription of bond at the issued price of £1,972,701;
3. the cooperation agreement dated 25 March 2021 between Guangzhou Qingchuang Tiandi Commercial Operation Management Co., Ltd.* (廣州青創天地商業運營管理有限公司) and Guangzhou Healthy Town Industrial Park Co., Ltd.* (廣州健康小鎮產業園有限公司) in relation to leasing of No. 218, Qiaotou Street, Haizhu District, Guangzhou City, Guangdong Province, PRC* (中國廣東省廣州市海珠區橋頭大街218號物業) at total consideration of approximately RMB80.1 million;
4. the cooperation agreement dated 31 March 2021 between Guangzhou Qingchuang Lixiang Commercial Operation Management Co., Ltd.* (廣州青創理想商業運營管理有限公司) and Shenzhen Shen Meng Investment Group Co., Ltd.* (深圳市深夢投資集團有限公司) in relation to leasing of No. 4, Zhenxing Street, South Gongye Avenue, Haizhu District, Guangzhou City, Guangdong Province, PRC* (中國廣東省廣州市海珠區工業大道南路振興大街4號) at total consideration of approximately RMB70.7 million;
5. the tenancy agreement dated 23 September 2021 between Guangdong Minda Investment Group Co. Ltd.* (廣東民大投資集團有限公司) and Guangzhou Yihe Qingchuang Commercial Operation Co. Ltd.* (廣州義合青創商業運營有限公司) in relation to leasing of No. 38, Quantang Road, Haizhu District, Guangzhou City, Guangdong Province, PRC* (中國廣東省廣州市海珠區泉塘路38號) at total rent of approximately RMB110.6 million;
6. the capital investment and cooperation agreement dated 2 September 2021 among Shenzhen BGI Marine Sci & Tech Co., Ltd.* (深圳華大海洋科技有限公司), Jiangsu Jibeier Pharmaceutical Co., Ltd. (江蘇吉貝爾藥業股份有限公司) (“**Jiangsu Jibeier**”) and Shenzhen Huahong Marine Biological Medicine Co., Ltd.* (深圳華泓海洋生物醫藥有限公司) (“**Shenzhen Huahong**”) in relation to contribution of RMB60 million to Shenzhen Huahong by Jiangsu Jibeier;

7. the sale and purchase agreement dated 16 December 2021 among Shenzhen City Dabaihui Ocean Technology Company Limited* (深圳市大百匯海洋科技有限公司), YH Global Limited, Shenzhen BGI Marine Sci & Tech Co., Ltd.* (深圳華大海洋科技有限公司) and Mr. Xu JunMin at a total consideration of RMB86 million; and
8. the Tenancy Agreements.

10. DOCUMENTS ON DISPLAY

Copies of the Tenancy Agreements, the valuation report prepared by Graval Consulting Limited, the text of which is set out in Appendix II to this circular, and the written consent referred to in the section headed “8. Expert and consent” in this appendix will be published on the websites of the Company (www.yee-hop.com.hk) and the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular (inclusive).

11. GENERAL

- (i) The registered office of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (ii) The principal place of business of the Company in Hong Kong is located at Units 1104-06, Nan Fung Commercial Centre, 19 Lam Lok Street, Kowloon Bay, Hong Kong.
- (iii) The company secretary of the Company is Mr. Chong Man Hung Jeffrey. Mr. Chong has been a member and a fellow member of the Hong Kong Institute of Certified Public Accountants since January 2005 and March 2018, respectively.
- (iv) The Cayman Islands principal share registrar and transfer office is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (v) The Hong Kong share registrar and transfer office is Tricor Investor Services Limited, whose address is Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (vi) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over its Chinese text unless otherwise specified.