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越秀服務集團有限公司
YUEXIU SERVICES GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 06626)

**CONNECTED TRANSACTION
AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO THE LEASE AGREEMENT**

THE LEASE AGREEMENT

On 29 July 2026 (after trading hours), Yuexiu Yicheng, an indirectly wholly-owned subsidiary of the Company (as lessee), entered into the Lease Agreement with Xi'an Tianyue (as lessor), pursuant to which Xi'an Tianyue has agreed to lease the Property to Yuexiu Yicheng for an initial term of 66 months commencing from 1 September 2026 to 29 February 2032 (both days inclusive).

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases” applicable to the Group, the payments by the Group contemplated under the Lease Agreement comprise the Rental Payment and the Service Payment, which are subject to different accounting treatments. The Rental Payment to be made by Yuexiu Yicheng for the lease of the Property under the Lease Agreement will be recognised as the right-of-use asset of the Group in its consolidated statement of financial position. Accordingly, the Rental Payment contemplated under the Lease Agreement will be regarded as an acquisition of the right-of-use asset by the Group for the purpose of the Listing Rules. The Service Payment to be paid by Yuexiu Yicheng under the Lease Agreement is revenue in nature and will be recognised as expenses of the Group over the lease term under the Lease Agreement.

As Yuexiu Property is the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules. As at the date of this announcement, Xi'an Tianyue is owned as to 49.0% by Yuexiu Property, and therefore Xi'an Tianyue is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Lease Agreement and the payment of the Rental Payment under the Lease Agreement constitutes a one-off connected transaction for the Company, and the payment of the Service Payment under the Lease Agreement constitutes a continuing connected transaction of the Company, in each case under Chapter 14A of the Listing Rules.

As each of the highest applicable percentage ratio in respect of (i) the value of the right-of-use asset recognised for the Rental Payment under the Lease Agreement; and (ii) the highest annual cap amount of the Service Payment to be made under the Lease Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements and (to the extent constituting continuing connected transaction of the Company) annual review requirements, but exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Lease Agreement (including the duration of the Service Payment to be made) is more than three years, the Company has appointed the Independent Financial Adviser to explain the reasons for a longer tenure and to confirm that it is a normal business practice for agreement of this type to be of such duration.

I. INTRODUCTION

On 29 July 2026 (after trading hours), Yuexiu Yicheng, an indirectly wholly-owned subsidiary of the Company (as lessee), entered into the Lease Agreement with Xi'an Tianyue (as lessor), pursuant to which Xi'an Tianyue has agreed to lease the entire floors of the 6th to 11th floors of Xi'an International Commerce Center to Yuexiu Yicheng for an initial term of 66 months commencing from 1 September 2026 to 29 February 2032 (both days inclusive). The Company will then enter into subleasing arrangements with strategic tenants and provide such tenants with integrated one-stop corporate solutions, including but not limited to property management, renovation services, facility management as well as other value-added services. As at the date of this announcement, the Company has identified an independent strategic tenant and is in the process of finalizing the terms of the subleasing arrangement.

II. THE LEASE AGREEMENT

The principal terms of the Lease Agreement are as follows:

Date	29 July 2026 (after trading hours)
Parties	(i) Xi'an Tianyue, as lessor (ii) Yuexiu Yicheng, as lessee
Property	The entire floors of the 6th to 11th floors of Xi'an International Commerce Center (the " Building "), No. 50 Jinye Road, High-Tech Zone, Xi'an City, Shaanxi Province, the PRC (中國陝西省西安市高新區錦業路50號西安環貿中心6-11層全層) with a gross floor area of 16,135.92 sq.m. (the " Property ")
Term	66 months commencing from 1 September 2026 to 29 February 2032 (both days inclusive) (the " Initial Lease Term ")
Usage	Office
Rental Payment	The rent payable for the following period under the Lease Agreement is as follows:

Period	Rent (inclusive of VAT) (RMB)
1 September 2026 to 31 March 2027 (Note)	1,129,514.68 (for the entire period)
1 April 2027 to 29 February 2032	1,129,514.68 per month

Note: The period from 1 September 2026 to 28 February 2027 represents the rent-free period.

The Rental Payment, inclusive of VAT, is approximately RMB67,770,880.80 in aggregate, representing an average monthly rental of approximately RMB63.64 per sq.m.

The Rental Payment has been determined after arm's length negotiations between Yuexiu Yicheng and Xi'an Tianyue, after taking into consideration the prevailing market rental of properties of comparable size, type and quality situated in the vicinity of the Property, with the monthly rental fee ranging from approximately RMB71.94 to RMB109.00 per sq.m. (inclusive of VAT).

The Rental Payment is expected to be satisfied by internal resources of the Group.

Security deposits

RMB4,550,328.42 as refundable security deposits

Service Payment term
and pricing policy

Yuexiu Yicheng, as lessee, is responsible for the management service fee in connection with the use of the Property calculated based on the unit price per sq.m. per month (inclusive of VAT) as agreed under the Lease Agreement, multiplied by the leased area.

The unit price agreed for management service fee under the Lease Agreement is RMB24.0 per sq.m. per month (inclusive of VAT), being the unified rate of the management service fee charged for the Building. The management service fee has been determined by the Parties based on arm's length negotiations, taking into account the multi-purpose nature of the Building with complex facilities and mixed-use structure, and the prevailing market rate of management service fee (inclusive of VAT) ranging from approximately RMB17.60 to RMB24.00 per sq.m. charged by properties of comparable size, type and quality situated in vicinity to the Property.

The Service Payment is expected to be satisfied by internal resources of the Group.

Payment term

Prior to the date of delivery of the Property, Yuexiu Yicheng, as lessee, is required to pay Xi'an Tianyue, as lessor, in aggregate RMB6,067,104.56 comprising the rent payable (inclusive of VAT) for the period from 1 September 2026 to 31 March 2027, security deposits, and the management service fee (inclusive of VAT) for September 2026.

Monthly rental and management service fee payments shall be paid before the 10th day of each month.

Renewal term

Subject to Yuexiu Yicheng having no uncured defaults during the Initial Lease Term (and the renewed lease term (if any)), Yuexiu Yicheng is entitled to the following renewal rights:

- (i) right to renew the term of the lease on the same rent and management service fee as agreed under the Lease Agreement for a further period of three years, prior to the expiry of the Initial Lease Term (the “**First Renewal Term**”);
- (ii) upon the expiry of the First Renewal Term, to further renew the term of the lease for three years (“**Second Renewal Term**”) subject to a rental increase cap of no more than 15% above the applicable rent for the final instalment payable during the First Renewal Term; and
- (iii) where Yuexiu Yicheng does not exercise the rights stipulated under (i) and (ii) above, or upon the expiry of the Second Renewal Term, Yuexiu Yicheng retains the right to a short-term extension of the lease of not more than 12 months. Throughout such short-term renewal period, the rental increment shall not exceed 5% of the rent payable for the final instalment prior to the expiry of the relevant lease term, and the management service fee shall remain at the same level as the final instalment prior to the expiry of the relevant lease term.

Such renewal rights shall be exercised by Yuexiu Yicheng by serving a written notice to Xi'an Tianyue at least six months prior to the then relevant lease term. The parties shall enter into a new lease agreement accordingly subject to the Company's compliance with the applicable Listing Rules.

Expansion right:

For a period of 18 months commencing from 1 September 2026 (being the commencement date of the lease term), subject to Yuexiu Yicheng not being in any unremedied breach of the Lease Agreement, Yuexiu Yicheng has the right to exercise, by way of three months prior written notice to Xi'an Tianyue, an expansion right to lease, among others, all or part of the remaining vacant units on the 5th floor of the Building at the same rental and service payment terms applicable under the Lease Agreement.

In the event that Yuexiu Yicheng exercises the aforementioned expansion right, the Company will comply with the relevant Listing Rules, as applicable.

III. ACCOUNTING IMPLICATIONS UNDER THE LEASE AGREEMENT

In accordance with HKFRS 16 "Leases" applicable to the Group, the payments by the Group contemplated under the Lease Agreement comprise the Rental Payment and the Service Payment, which are subject to different accounting treatments.

The Rental Payment to be made by Yuexiu Yicheng for the lease of the Property under the Lease Agreement will be recognised as the right-of-use asset of the Group in its consolidated statement of financial position for an amount of approximately RMB85.42 million, based on the present value of the Rental Payment to be made over the probable lease term, which comprises the Initial Lease Term and the First Renewal Term, in accordance with HKFRS 16 with reference to the proposed subleasing arrangement with the potential independent strategic tenant.

The Service Payment to be paid by Yuexiu Yicheng under the Lease Agreement is revenue in nature and will be recognised as expenses of the Group over the lease term under the Lease Agreement.

IV. ANNUAL CAPS

As the Service Payment payable under the Lease Agreement constitutes a continuing connected transaction of the Company, the Company is required to set annual caps on the total amount of the Service Payment to be paid to Xi'an Tianyue under the Lease Agreement.

The proposed annual caps on the total amount of the Service Payment payable under the Lease Agreement for the following periods are set out below:

Term	Proposed annual caps (RMB' 000)
For the period from 1 September 2026 to 31 December 2026	1,550
For each of the financial year ending 31 December 2027 to 2031	4,650
For the period from 1 January 2032 to 29 February 2032	780

The above annual caps were determined based on the total amount of management service fee payable during the relevant period/financial year with reference to the agreed unit rate of RMB24.0 per sq.m. per month (inclusive of VAT) under the Lease Agreement which were arrived at on normal commercial terms after arm's length negotiation. The basis of such unit rate being considered fair and reasonable taking into account that (a) such rate is the unified rate of the management service fee charged for the Building; (b) the multi-purpose nature of the Building with complex facilities and mixed-use structure; and (c) the unit cost per sq.m. per month of the management service fee payable as disclosed above for other comparable properties in the vicinity of the Property.

Taking into account the above factors, the Directors (including the independent non-executive Directors) consider that the above proposed annual caps in relation to the Service Payment under the Lease Agreement are fair and reasonable and on normal commercial terms.

There is no historical amount under the Lease Agreement between the Group and Xi'an Tianyue.

V. INTERNAL CONTROL

In order to further safeguard the interests of the shareholders of the Company as a whole, the Group will implement the following internal control measures in relation to the proposed continuing connected transactions regarding the Service Payment under the Lease Agreement:

- (i) the accounts department of the Group will regularly monitor the continuing connected transactions regarding the Service Payment contemplated under the Lease Agreement to ensure that the proposed annual caps will not be exceeded;
- (ii) the heads of the respective operational departments of the Group will supervise and monitor that the execution of the Lease Agreement is in line with its principal terms;
- (iii) the heads of the respective operational departments of the Group will conduct regular reviews to keep abreast of the prevailing fee level in the market, the market conditions, and the charging rate of the management service fee of the Building, for the purpose of considering if the Service Payment made under the Lease Agreement are fair and reasonable;
- (iv) the audit committee of the Company will meet at least twice a year to review the implementation of the above measures for the transactions contemplated under the Lease Agreement;
- (v) the Company will provide information and supporting documents to its independent non-executive Directors and auditors for them to conduct annual review of the continuing connected transactions of the Group;
- (vi) the independent non-executive Directors will provide an annual confirmation to the Board in accordance with Rule 14A.55 of the Listing Rules as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are conducted in accordance with the Lease Agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (vii) the auditor of the Company will be engaged to report on the continuing connected transactions of the Group disclosed in the annual report in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under

the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor will issue a letter containing their conclusions in respect of the continuing connected transactions disclosed in the annual report in accordance with Rule 14A.56 of the Listing Rules.

VI. INFORMATION OF THE PARTIES

The Company and the Group

The Company is incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06626). The Group is an urban operation service provider in the PRC and a key market player offering integrated property management services in the Greater Bay Area. Its major businesses comprise (i) non-commercial property management and value-added services, which consist of property management services, value-added services to non-property owners and community value-added services; and (ii) commercial property management and operational services, which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

Yuexiu Yicheng

Yuexiu Yicheng is a company established in the PRC with limited liability and is indirectly wholly-owned by the Company. Yuexiu Yicheng is principally engaged in property management in the PRC.

Xi'an Tianyue

Xi'an Tianyue is a company established in the PRC with limited liability and primarily engaging in the business of property development. As at the date of this announcement, Xi'an Tianyue is indirectly owned as to 49.0% by Yuexiu Property, the controlling shareholder of the Company, and 51.0% by China West Airport Group, a state-owned enterprise ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Shaanxi Province.

VII. REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LEASE AGREEMENT

As one of the leading experts in commercial property operations and management and a pioneer in skyscraper property management in China, the Group is committed to addressing tenants' growing demand for one-stop corporate solutions. By securing these floors of the Building, the Company will enter into subleasing arrangements with strategic tenants and provide integrated one-stop corporate solutions, including but not limited to property management, renovation services, facility management as well as other value-added services to these tenants. Essentially, through capitalizing on the Group's operational expertise, this strategic pivot from traditional property management to an integrated service model will diversify the Group's revenue stream, driving long-term returns for all shareholders of the Company.

The terms of the Lease Agreement (including the Rental Payment and the Service Payment) were negotiated and agreed by the parties on arm's length basis and were on normal commercial terms. The Rental Payment and the Service Payment payable under the Lease Agreement were respectively agreed by the parties having considered, among others, the gross floor area of the Property and a specific rental/management service fee (as applicable) per sq.m. taking into account the prevailing market rent/management service fee (as applicable) of other comparable premises in the vicinity of the Property, the special features of the Building with complex multi-purpose facilities and mixed-used structure, and (in the case of management service fees only) the unified management service fee of the Building.

In light of the above and further taking into consideration the view of the Independent Financial Adviser in respect of the Lease Agreement as set out below in this announcement, the Directors (including the independent non-executive Directors) consider that (i) the terms of the Lease Agreement (including the Rental Payment and the Service Payment), the proposed annual caps with regard to the payment of the Service Payment, and the transaction contemplated thereunder are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) the entering into the Lease Agreement is in the interest of the Company and its shareholders as a whole.

VIII. LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases” applicable to the Group, the payments by the Group contemplated under the Lease Agreement comprise the Rental Payment and the Service Payment, which are subject to different accounting treatments. The Rental Payment to be made by Yuexiu Yicheng for the lease of the Property under the Lease Agreement will be recognised as the right-of-use asset of the Group in its consolidated statement of financial position. Accordingly, the Rental Payment contemplated under the Lease Agreement will be regarded as an acquisition of the right-of-use asset by the Group for the purpose of the Listing Rules. The Service Payment to be paid by Yuexiu Yicheng under the Lease Agreement is revenue in nature and will be recognised as expenses of the Group over the lease term under the Lease Agreement.

As Yuexiu Property is the controlling shareholder of the Company, it is a connected person of the Company under the Listing Rules. As at the date of this announcement, Xi'an Tianyue is owned as to 49.0% by Yuexiu Property, and therefore Xi'an Tianyue is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Lease Agreement and the payment of the Rental Payment under the Lease Agreement constitutes a one-off connected transaction for the Company, and the payment of the Service Payment under the Lease Agreement constitutes a continuing connected transaction of the Company, in each case under Chapter 14A of the Listing Rules.

As each of the highest applicable percentage ratio in respect of (i) the value of the right-of-use asset recognised for the Rental Payment under the Lease Agreement; and (ii) the highest annual cap amount of the Service Payment to be made under the Lease Agreement exceeds 0.1% but is less than 5%, the transactions contemplated thereunder are subject to the reporting and announcement requirements and (to the extent constituting continuing connected transaction of the Company) annual review requirements, but exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

Mr. Jiang Guoxiong, a non-executive Director, and Ms. Li Huiting, an executive Director, are deemed to have a material interest in the Lease Agreement and the transactions contemplated thereunder by virtue of their respective positions in Yuexiu Property. Therefore, they were required to and have abstained from voting on the relevant Board resolutions.

Save as above, none of the Directors was required to abstain from voting on the relevant Board resolutions.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Lease Agreement (including the duration of the Service Payment to be made) is more than three years, the Company has appointed the Independent Financial Adviser to explain the reasons for a longer tenure and to confirm that it is a normal business practice for agreement of this type to be of such a duration. In assessing this point, the Independent Financial Adviser has discussed the principal reasons for a longer term under the Lease Agreement with the management of the Company and is of the view that:

- (i) such arrangement is driven by mutual benefits, where Yuexiu Yicheng tends to enter into leases with terms longer than three years, taking into account tenants' demand for stability of business premises and optimized long-term cost planning (especially initial upfront costs) when leasing a large area in its entirety, and concurrently, the lessor, like Xi'an Tianyue, benefits from a stable lease of the Property under the Lease Agreement to mitigate vacancy risk;
- (ii) it is a common commercial arrangement for the lease terms to exceed three years within the property management industry, and given monthly Service Payment is payable pursuant to the terms of the Lease Agreement, it naturally follows that the duration of payment of the Service Payment shall align with the lease term; and
- (iii) the lease term under the Lease Agreement and the duration of Service Payment to be made, which are both longer than three years, is a normal commercial term for transaction of this nature and it is normal business practice for an agreement of this type to be of such a duration.

IX. DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Yuexiu Services Group Limited (越秀服務集團有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 06626)
“connected person”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKFRS(s)”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the Securities and Futures Ordinance, the independent financial adviser appointed by the Company
“Lease Agreement”	the lease agreement dated 29 July 2026 entered into between Xi’an Tianyue (as lessor) and Yuexiu Yicheng (as lessee) in relation to the lease of the Property for a term of 66 months from 1 September 2026 to 29 February 2032 (both days inclusive)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Rental Payment”	the rental payment payable by Yuexiu Yicheng to Xi’an Tianyue under the Lease Agreement
“RMB”	Renminbi, lawful currency of the PRC
“Service Payment”	the management service fee payable by Yuexiu Yicheng to Xi’an Tianyue under the Lease Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)

“VAT”	the value-added tax
“Xi’an Tianyue”	Xi’an Tianyue Aviation Development Co., Ltd* (西安天越航空發展有限公司), a company established in the PRC with limited liability, which is indirectly owned as to 49.0% by Yuexiu Property and 51.0% by China West Airport Group
“Yuexiu Property”	Yuexiu Property Company Limited (越秀地產股份有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00123) and a controlling shareholder of the Company
“Yuexiu Yicheng”	Guangzhou Yuexiu Yicheng Business Operation Management Co., Ltd.* (廣州越秀怡城商業運營管理有限公司), a company established in the PRC with limited liability and indirectly wholly-owned by the Company
“%”	per cent

By Order of the Board
Yuexiu Services Group Limited
Yu Tat Fung
Company Secretary

Hong Kong, 29 July 2026

As at the date of this announcement, the Board comprises:

Executive Directors: **LI Huiting, XU Jianhui and ZHANG Jin**

Non-executive Directors: **JIANG Guoxiong (Chairman) and YANG Zhaoxuan**

Independent Non-executive Directors: **HUNG Shing Ming, HUI Lai Kwan and LEUNG Yiu Man**

** For identification purpose only*