
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Times China Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders**

ALTUS CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on page 18 of this circular. A letter from Altus Capital containing its advice to the Independent Board Committee and the independent Shareholders is set out on pages 19 to 32 of this circular.

A notice convening the Extraordinary General Meeting to be held at Suites 3905-3908, 39/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 9 December 2021 (Thursday) at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular at which an ordinary resolution will be proposed to approve the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps).

A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.timesgroup.cn. Whether or not you are able to attend the Extraordinary General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof if they so wish and in such event the form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Please refer to page 1 of this circular for precautionary measures being adopted to minimize the risk of the transmission and spread of the epidemic caused by COVID-19 at the Extraordinary General Meeting, including:

- compulsory temperature checks
- health declarations
- mandatory-wearing of surgical face masks
- appropriate social distancing
- no provision of refreshments, corporate gifts and gift coupons

Any person who does not comply with any of the precautionary measures may be denied entry into the Extraordinary General Meeting venue. The Company encourages Shareholders to consider appointing the chairman of the Extraordinary General Meeting as their proxy to vote on the relevant resolution to be tabled at the Extraordinary General Meeting as an alternative to attending the Extraordinary General Meeting in person.

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PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the novel coronavirus (“COVID-19”) pandemic situation, the Company will implement the following precautionary measures at the Extraordinary General Meeting to safeguard the health and safety of the attendees at the Extraordinary General Meeting (the “Attendees”):

- (i) compulsory body temperature checks will be conducted on all Attendees.
- (ii) all Attendees will be required to sign and complete a health declaration form before admission to the Extraordinary General Meeting venue.
- (iii) all Attendees will be required to wear a surgical face mask at the Extraordinary General Meeting venue and throughout the Extraordinary General Meeting. Please note that no masks will be provided and Attendees should bring and wear their own masks.
- (iv) subject to strict compliance of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation, seating will be arranged so as to allow for appropriate social distancing and the Company may limit the number of Attendees at the Extraordinary General Meeting to avoid over-crowding.
- (v) no refreshments will be served, and no corporate gifts and gift coupons will be distributed.
- (vi) any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of COVID-19.

Should any person refuses to comply with any of the precautionary measures, the Company reserves the rights to deny his/her entry into the Extraordinary General Meeting venue or require any Attendee to leave the Extraordinary General Meeting venue.

The Company reminds all Shareholders that physical attendance in person at the Extraordinary General Meeting is not necessary for the purpose of exercising voting rights. The Company strongly encourages Shareholders to exercise their right to vote at the Extraordinary General Meeting by appointing the chairman of the Extraordinary General Meeting as their proxy instead of attending the Extraordinary General Meeting in person. A copy of the proxy form is available for downloading and use at the respective websites of the Company at www.timesgroup.cn and the Stock Exchange at www.hkexnews.hk.

Due to the constantly evolving of COVID-19 situation in Hong Kong, the Attendees are urged to view the respective websites of the Company and the Stock Exchange for future announcements on the arrangement of the Extraordinary General Meeting.

DEFINITIONS

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

“Altus Capital” or “Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and independent Shareholders in respect of the CCT Agreement (including the proposed annual caps)
“Announcement”	the announcement dated 16 November 2021 made by the Company in relation to the CCT Agreement and the transactions contemplated thereunder
“Asiaciti Enterprises”	Asiaciti Enterprises Ltd. (豐亞企業有限公司), a company incorporated in the British Virgin Islands with limited liability and is a controlling shareholder of the Company which holds approximately 62.74% of the total issued shares of the Company, and is wholly owned by Super Reach
“associate”	has the meaning ascribed to it under the Listing Rules
“Best Source”	Best Source Ventures Limited (卓源創投有限公司), a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“CCT Agreement”	the agreement dated 16 November 2021 entered into between the Company and Times Neighborhood in relation to the provision of the Services by the Times Neighborhood Group to the Group and its associated companies for the three years ending 31 December 2024
“Company”	Times China Holdings Limited (時代中國控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1233)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Effective Date”	the date of approval by the independent Shareholders and the independent shareholders of Times Neighborhood at the EGM and the Times Neighborhood EGM respectively
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at Suites 3905-3908, 39/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 9 December 2021 (Thursday) at 10:00 a.m., or any adjournment thereof
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors
“Independent Third Parties”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with the Company or any of its connected persons
“Interested Directors”	Mr. Shum, Mr. Guan, Mr. Bai and Mr. Shum Siu Hung
“Latest Practicable Date”	16 November 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Bai”	Mr. Bai Xihong, an executive Director
“Mr. Guan”	Mr. Guan Jianhui, an executive Director
“Mr. Shum”	Mr. Shum Chiu Hung, an executive Director, and the ultimate controlling shareholder of the Company and Times Neighborhood
“Mr. Shum Siu Hung”	Mr. Shum Siu Hung, an executive Director
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“Services”	(i) value-added services to non-property owners (including construction site management services, sales assistance services and pre-delivery cleaning services); (ii) property management services; (iii) car parking lots leasing management services; (iv) sale, installation and maintenance of elevators; (v) instalment of internet services; and (vi) intelligent engineering services
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Reach”	Super Reach Ventures Limited (超達創投有限公司), a company incorporated in the British Virgin Islands with limited liability which is owned as to (a) 60% by Renowned Brand Investments Limited and in turn wholly owned by Mr. Shum and (b) 40% by East Profit Management Limited and in turn wholly owned by Mr. Shum’s spouse, Ms. Li Yiping
“Times Neighborhood”	Times Neighborhood Holdings Limited (時代鄰里控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 9928)
“Times Neighborhood EGM”	the extraordinary general meeting of Times Neighborhood proposed to be convened for the approval of the CCT Agreement and the transactions contemplated thereunder
“Times Neighborhood Group”	Times Neighborhood and its subsidiaries
“%”	per cent.

LETTER FROM THE BOARD



TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

Executive Directors:

Mr. Shum Chiu Hung

(Chairman and Chief Executive Officer)

Mr. Guan Jianhui

Mr. Bai Xihong

Mr. Li Qiang

Mr. Shum Siu Hung

Mr. Niu Jimin

Independent non-executive Directors:

Mr. Jin Qingjun

Ms. Sun Hui

Mr. Wong Wai Man

Registered office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Headquarters in the PRC:

36-38/F, Times Property Center

410-412 Dongfeng Zhong Road

Guangzhou

Guangdong Province

PRC

Principal place of business in Hong Kong:

Suites 3905-3908, 39/F

Two Exchange Square

8 Connaught Place

Central, Hong Kong

22 November 2021

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement.

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

LETTER FROM THE BOARD

CCT Agreement and transactions contemplated thereunder (including the proposed annual caps); (iii) a letter of advice from Altus Capital to the Independent Board Committee and the independent Shareholders regarding the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps); and (iv) a notice convening the EGM.

THE CCT AGREEMENT

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

Principal terms

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

Term

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

Pricing

The fees will be determined after arm's length negotiations with reference to (i) the prevailing market price (taking into account the location and the conditions of the properties, the scope of the services and the anticipated operational costs including but not limited to labor costs, administration costs and materials costs) for receiving similar services offered by the Independent Third Parties; and (ii) the guidance price of the relevant services for similar type of development projects issued by the local government (if applicable). The fees shall not be higher than the fees paid by the Group and its associated companies to the Independent Third Parties in any event.

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

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

The Group will obtain several quotations in the market, make requests to the Times Neighborhood Group, and the Times Neighborhood Group will make bids/quotations to the Group. After receiving such bids/quotations from the Times Neighborhood Group, the Group will compare against the other market quotations and consider several factors such as the technical skills and know-how that the Times Neighborhood Group may be able to contribute to the

LETTER FROM THE BOARD

Group against other bidders (including the manpower that could be offered by the Times Neighborhood Group for construction and the installation procedures requirement based on the construction blueprints of the relevant projects);

(ii) Sales assistance services

The service fee shall be determined with reference to various factors including the market prices plus reasonable management fees. In determining the market price in a particular region, the Group will take into account (a) the fees charged by other services providers offering similar services in the region; and (b) the costs of finding other services providers in providing the same services;

(iii) Pre-delivery cleaning services

The service fee shall be determined with reference to various factors including the market prices plus reasonable management fees. In determining the market price in a particular region, the Group will take into account (a) the fees charged by other services providers offering similar services in the region; and (b) the costs of finding other services providers in providing the same services;

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

LETTER FROM THE BOARD

- (c) For car parking lots leasing management services, the parties shall negotiate the approaches for settlement of the parking lots leasing management services based on the then market conditions of local parking lots leasing management services. The adoption of agency commission approach or exclusive distribution approach depends on arm's length negotiation between the parties.
- (d) For the sale, installation and maintenance of elevators services, service fee shall be determined by arm's length negotiation between the parties plus reasonable management costs. In determining the market price in a particular region, the Group will take into account (a) the location and conditions of the elevators and the properties, and (b) the fee quotes provided by other services providers for providing similar services in the region.
- (e) For instalment of internet services, service fee shall be determined by arm's length negotiation between the parties plus reasonable management costs. In determining the market price in a particular region, the Group will take into account (a) the location and conditions of the relevant properties, and (b) the fee quotes provided by other services providers for providing similar services in the region.
- (f) For intelligent engineering services, the Group will receive bids/quotations from several services providers including the Times Neighborhood Group after taking into account factors including, prevailing market prices, the technical skills and know-how that the Times Neighborhood Group may be able to contribute to the Group against other bidders (including the manpower that could be offered by the Times Neighborhood Group for the intelligent engineering work of the relevant projects).

Payment

The credit term for the fees payable by the Group and its associated companies in relation to the Services is 30 days in general.

LETTER FROM THE BOARD

Historical transaction amounts

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

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

LETTER FROM THE BOARD

The historical transaction amounts paid by the Group and its associated companies for the provision of the services for the three years ended 31 December 2020 and the eight months ended 31 August 2021 amounted to RMB16,164,000, RMB26,771,000, RMB46,582,000 and RMB321,717,000, respectively. Set out below is the breakdown of such historical amounts:

	For the year ended 31 December			For the eight months ended
	2018	2019	2020	31 August 2021
	<i>(RMB'000)</i>			
Value-added services to non-property owners (including construction site management services, sales assistance services, pre-delivery cleaning services and preliminary planning and design consultancy services at pre-delivery stage)	-	-	-	211,445
Property management services	-	-	-	45,973
Car parking lots leasing management services	-	-	-	4,000
Sale, installation and maintenance of elevators	9,681	25,333	18,469	9,139
Instalment of internet services	789	591	9,359	12,654
Intelligent engineering services	5,694	847	18,754	38,506
	<u>16,164</u>	<u>26,771</u>	<u>46,582</u>	<u>321,717</u>
Total	16,164	26,771	46,582	321,717

At the time of Times Neighborhood's initial public offering, the proposed annual caps for the two years ending 31 December 2021 were projected primarily by referencing to the relevant historical transactions for the three years ended 31 December 2018 and for the period ended 30 June 2019. Notwithstanding that the historical transaction amount for the provision of the services since the financial year ended 31 December 2018 covered both Times Neighborhood's previous continuing connected transactions with the Company and Asiaciti Enterprises and they were covered by two separate continuing connected transaction agreements entered into (i) between Asiaciti Enterprises, being the controlling shareholder of the Company, and Times Neighborhood; and (ii) between the Company and Times Neighborhood, Times Neighborhood has reviewed such historical transactions thereunder and noted the services were ultimately taken up by the Group and its associated companies. The proposed new grouping of the Services under an agreement directly with the Company would reduce unnecessary legacy bureaucracy and enhance operational efficiency.

LETTER FROM THE BOARD

Proposed annual caps

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

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

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

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

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

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

- (c) The estimated demand for the property management and related services (excluding the sales agency services under the sales assistance services) is determined with reference to (1) the area of projects expected to be delivered by the Group; (2) the number of entrusted management projects; and (3) the unit price level of projects. As at 30 June 2021, the Times Neighborhood Group operated 122 projects under

LETTER FROM THE BOARD

development or for sale of the Group with the area of projects under management of approximately 22.6 million sq.m., representing a year-on-year increase of approximately 14.7%. It is expected that the service fees for the provision of property management services by the Times Neighborhood Group to the Group will increase.

- (d) The estimated demand for the sales agency services under the sales assistance services is determined with reference to (1) the estimated value of properties/car parking lots for sale; (2) the number of properties/car parking lots expected to be sold; and (3) the estimated commission rate. As at 30 June 2021, commission fees for sales agency services amounted to RMB135 million, representing a year-on-year increase of approximately 12.9%. It is expected that the commission expenses for the provision of sales agency services to the Group will increase.
- (e) In respect of the sale, installation and maintenance of elevators, instalment of internet services and intelligent engineering services provided by the Times Neighborhood Group to the Group, certain contracts have been entered into. It is expected that the transaction amounts for the year 2021 will be approximately RMB86.2 million, RMB12.4 million and RMB100.6 million, respectively.

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

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

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

- (f) For the instalment of internet services and intelligent engineering services, the estimated transaction amounts are calculated with reference to the following: (1) the estimated GFA to be delivered in the next three years; (2) the estimated proportion of the intelligent engineering services provided by the Times Neighborhood Group to the Group; and (3) the unit cost per sq.m. of the intelligent engineering services.

LETTER FROM THE BOARD

- (g) According to the public information disclosed by the Group, as at 30 June 2021, the Group had total land reserves of approximately 21.7 million sq.m., which will be sufficient to support its development need for the next three years. The increasing land reserves of the Group will have a positive and direct impact on the property projects of the Company to be sold and delivered to property owners in 2022, 2023 and 2024. On such basis, it is expected that the demand for the Services from the Times Neighborhood Group will increase in the next three years.
- (h) The transaction amounts of the services in recent years.

Based on the above factors, the Company considered the proposed annual caps for the three years ending 31 December 2024 for the Services to be fair and reasonable.

PRICING POLICY

During the term of the CCT Agreement, members of the Group and its associated companies may from time to time enter into individual agreements with members of the Times Neighborhood Group for the provision of the Services in accordance with the principal terms of the CCT Agreement. The Group adopts the following pricing policy for the CCT Agreement:

- (a) each individual agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (b) the transaction price shall be determined based on the prevailing market prices after the arm's length negotiation is reached between both parties in respect of the terms and conditions of each individual agreement to ensure that the prices offered by the Times Neighborhood Group are no less favorable to the Group than those offered by other Independent Third Parties;
- (c) the Group shall refer to other quotations of similar products and services provided by Independent Third Parties by way of tender and review regularly as to whether the prices offered by the Times Neighborhood Group deviate materially from those offered by Independent Third Parties to ensure that the prices offered by the Times Neighborhood Group are fair and reasonable and are no less favorable than those offered by other Independent Third Parties;
- (d) the transaction price shall be negotiated with the Times Neighborhood Group with reference to the location and the conditions of the properties, the scope of the services and the anticipated operational costs including labour costs, administration costs and material costs; and
- (e) should there be any material discrepancies between the prices charged by the Times Neighborhood Group and that offered by Independent Third Parties, the prices chargeable by the Times Neighborhood Group shall be adjusted accordingly.

LETTER FROM THE BOARD

INTERNAL CONTROL

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

- (a) on a semi-annually basis, the purchasing department will examine the relevant pricing terms by collecting the relevant market information, reviewing and comparing the quotations obtained from other Independent Third Parties providing similar products and services to ensure that the prices offered by the Times Neighborhood Group will be on terms no less favourable than those offered by Independent Third Parties;
- (b) the finance department will take proper records of the actual transaction amounts between the Group and the Times Neighborhood Group and will review the aggregate transaction amounts on a monthly basis. To ensure that the annual caps will not be exceeded, the finance department will alert the management and purchasing team the aggregate transaction amounts on a monthly basis. If the actual aggregate transaction amount reaches 60% threshold of the proposed annual caps, or if the business operation department and finance department expect that the relevant business operations will expand and may use up a substantial part of the annual caps in short run, the matter shall promptly be escalated to the senior management of the Company. The senior management of the Company will preliminary assess if there is a need to revise the existing annual caps, coordinate and conclude the decision, and, if so, revise the annual caps in accordance with the relevant internal procedures of the Company and re-comply with the requirements under the Listing Rules;
- (c) the Group will implement internal checks to ensure that the procedures of the connected transactions will conform with the internal control system of the Group, the annual caps will be complied with and that pricing is consistent with the principal terms and conditions of the CCT Agreement by random inspection of the pricing terms, payment arrangements and actual transaction amounts;
- (d) the external auditors of the Company will conduct an annual review of the pricing and the transaction volume against the annual caps under the CCT Agreement;
- (e) the audit committee of the Company will review the transactions under the CCT Agreement and recommend any proposals to improve the internal control measures; and
- (f) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on the CCT Agreement.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE CCT AGREEMENT

The Times Neighborhood Group is one of the leading and fast-growing comprehensive property management service providers in the PRC. The Directors are of the view that the Times Neighborhood Group has long-standing relationship with the Group and possesses extensive professional knowledge and experience in the provision of the Services, so it will be able to offer continuous quality services to the Group. Further, given its large market share and promising business model, it will be able to offer competitive prices to the Group at terms more favourable to the Group than those offered by the Independent Third Parties. Hence, the Directors believe that the Group will be able to benefit from the entering into of the CCT Agreement.

As at the Latest Practicable Date, each of Mr. Shum (through Best Source), Mr. Guan, Mr. Bai, and Mr. Shum Siu Hung holds approximately 47.51%, 2.11%, 2.08%, and 0.06% of the total issued shares of Times Neighborhood, respectively. The Interested Directors have abstained from voting on the relevant Board resolutions for approving the CCT Agreement and the transactions contemplated thereunder.

The Directors (excluding the Interested Directors and including the independent non-executive Directors) are of the view that the CCT Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Times Neighborhood is owned as to approximately 47.51% by Best Source, which is wholly owned by Super Reach. Super Reach is a controlling shareholder of the Company and hence a connected person of the Company. Times Neighborhood is an associate of a connected person of the Company under Chapter 14A of the Listing Rules. Thus, Times Neighborhood is a connected person of the Company.

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

INFORMATION ON THE PARTIES

(1) The Company

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

LETTER FROM THE BOARD

(2) Times Neighborhood

Times Neighborhood is an investment holding company. The Times Neighborhood Group is principally engaged in the business of provision of property management services, value-added services to non-property owners, community value-added services and other professional services in the PRC. As at the Latest Practicable Date, Times Neighborhood is directly owned as to (i) approximately 47.51% by Best Source, which is wholly owned by Super Reach, which is in turn owned as to (a) 60% by Renowned Brand Investments Limited and in turn wholly owned by Mr. Shum and (b) 40% by East Profit Management Limited and in turn wholly owned by Mr. Shum's spouse, Ms. Li Yiping; and (ii) approximately 52.49% by other shareholders.

RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, having taken into account the advice of Altus Capital, has been established and considers that (i) the terms of the CCT Agreement (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the transactions contemplated under the CCT Agreement (including the proposed annual caps) are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the independent Shareholders to vote in favour of the resolution in relation to the CCT Agreement (including the proposed annual caps) proposed at the EGM. The text of the letter from the Independent Board Committee is set out on page 18 of this circular.

NOTICE OF THE EGM

The EGM will be held at Suites 3905-3908, 39/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 9 December 2021 (Thursday) at 10:00 a.m., for the purpose of considering and, if thought fit, passing an ordinary resolution to approve the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps). A notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

For determining eligibility to attend and vote at the EGM, the register of members of the Company will be closed from 6 December 2021 (Monday) to 9 December 2021 (Thursday), both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 3 December 2021 (Friday).

FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.timesgroup.cn. Whether or not you are able to attend the EGM, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre,

LETTER FROM THE BOARD

183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof if they so wish and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. In accordance with the requirements of the Listing Rules, the resolution to be put forward at the EGM will be voted on by the independent Shareholders by way of poll.

Save for Mr. Shum, Mr. Guan, Mr. Bai, Mr. Shum Siu Hung, Asiatic Enterprises and its associates, none of the other Shareholders has a material interest in the CCT Agreement and the transactions contemplated thereunder (including the proposed annual caps) and is required to abstain from voting on the relevant resolution in the EGM.

On a poll, every independent Shareholder present in person or by proxy or, in the case of an independent Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. An independent Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

RECOMMENDATION

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

Yours faithfully
By Order of the Board
Times China Holdings Limited
Niu Jimin
Executive Director



TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

22 November 2021

To the independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

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

We have been appointed by the Board as the members of the Independent Board Committee to consider the CCT Agreement and to advise the independent Shareholders in respect of the CCT Agreement and transactions contemplated thereunder and the proposed annual caps, details of which are set out in the “Letter from the Board” on pages 5 to 17 of this circular. Altus Capital has been appointed as the Independent Financial Adviser in this regard.

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

Yours faithfully

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

Jin Qingjun
Independent
non-executive Director

Sun Hui
Independent
non-executive Director

Wong Wai Man
Independent
non-executive Director

LETTER FROM ALTUS CAPITAL

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

ALTUS

Altus Capital Limited

21 Wing Wo Street

Central, Hong Kong

22 November 2021

To the Independent Board Committee and the independent Shareholders

Times China Holdings Limited

Suites 3905-3908, 39/F

Two Exchange Square

8 Connaught Place

Central

Hong Kong

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

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

Reference is made to the Announcement. On 16 November 2021, the Company entered into the CCT Agreement with Times Neighborhood in relation to the provision of the Services by the Times Neighborhood Group to the Group and its associated companies, which has a term from 1 January 2022 to 31 December 2024.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Times Neighborhood is owned as to approximately 47.51% by Best Source, which is wholly owned by Super Reach. Super Reach is a controlling shareholder of the Company and hence a connected person of the Company. Times Neighborhood is an associate of a connected person of the Company under Chapter 14A of the Listing Rules. Thus, Times Neighborhood is a connected person of the Company.

LETTER FROM ALTUS CAPITAL

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

As at the Latest Practicable Date, each of Mr. Shum (through Best Source), Mr. Guan, Mr. Bai, and Mr. Shum Siu Hung holds approximately 47.51%, 2.11%, 2.08%, and 0.06% of the total issued shares of Times Neighborhood respectively. As at the Latest Practicable Date, Asiaciti Enterprises, which is wholly owned by Super Reach, is a controlling shareholder of the Company which held approximately 62.74% of the total issued shares of the Company.

Save for Mr. Shum, Mr. Guan, Mr. Bai, Mr. Shum Siu Hung, Asiaciti Enterprises and its associates, none of the other Shareholders has a material interest in the CCT Agreement and the Transactions contemplated thereunder (including the proposed annual caps) and is required to abstain from voting on the relevant resolution in the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Jin Qingjun, Ms. Sun Hui and Mr. Wong Wai Man, has been established to advise the independent Shareholders as to (i) whether the terms of the CCT Agreement and the Transactions (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) whether the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) how to vote in respect of the relevant resolution to be proposed at the EGM approving the CCT Agreement and the Transactions (including the proposed annual caps) (the "**Resolution**"), taking into account the recommendations of the Independent Financial Adviser.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the independent Shareholders as to (i) whether the terms of the CCT Agreement and the Transactions (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) whether the Transactions are on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) how to vote in respect of the Resolution.

We have not acted as independent financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the proposed Transactions under the CCT Agreement is at market level and not conditional upon successful passing of the Resolution, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder(s) or connected person(s).

LETTER FROM ALTUS CAPITAL

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others (i) the CCT Agreement; (ii) the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”) and the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”); and (iii) other information set out in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the “**Management**”). We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, Directors and the Management were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any such statements, information, opinions or representations we relied on in forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation, we have taken into consideration the following principal factors:

1. Background information of the Group

The Company is one of the leading property developers in the PRC, focusing on the development of mid-market to high-end residential properties. Main business comprises three areas: (i) property development, i.e., the development of residential and commercial properties for sale, (ii) urban redevelopment, i.e., the redevelopment of old towns, old factories and old villages, and (iii) property leasing, i.e., the development, leasing and subleasing of commercial properties owned by the Company or third parties.

Set out below a table summarising the Group’s financial information as extracted from the 2020 Annual Report and the 2021 Interim Report, respectively.

LETTER FROM ALTUS CAPITAL

Extract of consolidated statement of profit or loss

	For the six months ended		For the year ended	
	30 June		31 December	
	2021	2020	2020	2019
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Revenue	13,638,443	14,924,520	38,576,694	42,433,383
– Property development	11,005,605	14,712,764	32,673,269	39,079,896
– Urban redevelopment business	2,406,527	–	5,453,261	2,167,574
– Property leasing	226,311	211,756	450,164	461,056
– Property management <i>(Note)</i>	–	–	–	724,857
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year/period	<u>1,923,316</u>	<u>1,810,798</u>	<u>5,366,010</u>	<u>5,560,461</u>

Note: The Group ceased to generate income from property management services following the spin-off of the Times Neighborhood Group in December 2019, which principally engages in the provision of property management services.

As shown on the table above, the Group's revenue for the year ended 31 December 2020 decreased by approximately 9.1% as compared to the previous year partly due to the adverse impact on the real estate industry from the outbreak of COVID-19. During the first half of 2021, the Group recorded approximately 8.6% decrease in revenue as compared to the same period of 2020 due to less area of properties delivered.

We noted that the property development segment and urban redevelopment segment contributed over 95% of the Group's total revenue since 2019 up to 30 June 2021. As advised by the Management, the Services from service providers such as Times Neighborhood are required for both property development business and urban redevelopment business during the Group's ordinary and usual course of business. According to the 2021 Interim Report, the Group had continued to expand its land reserve for its property development and urban redevelopment businesses. For the six months ended 30 June 2021, seven land parcels were acquired by the Group at a total attributable cost of approximately RMB3,543 million. As at 30 June 2021, the Group had 145 major projects in various stages for its property development business and approximately 160 projects for its urban redevelopment business, as compared to 138 and over 160 projects as at 31 December 2020, and 127 and over 120 projects as at 31 December 2019.

According to the 2021 Interim Report, the Group expects the macro economy will remain stable with reasonable and sufficient liquidity supported by appropriate monetary policy. Going forward, the Group will focus on enhancing its presence across the Guangdong-Hong Kong-Macau Greater Bay Area, continue to pursue quality growth in residential development business and further enhance its competitive advantages in urban redevelopment business. As such, the Group will continue to require the Services from service providers including the Times Neighborhood Group going forward. Therefore, we concur with the Directors that the Transactions are conducted in the ordinary and usual course of business of the Group.

LETTER FROM ALTUS CAPITAL

2. Reasons for and benefits of the CCT Agreement

As discussed in the paragraph headed “1. Background information of the Group” in this letter above, the Group requires the Services during its ordinary and usual course of business.

According to the “Letter from the Board”, the Times Neighborhood Group is one of the leading and fast-growing comprehensive property management service providers in the PRC. According to the interim report of Times Neighborhood Group for the six months ended 30 June 2021 published on 2 September 2021, its principal business scope includes the provision of (i) property management services; (ii) value-added services to non-property owners (including sales assistance services, construction site services, housing agency services, pre-delivery cleaning services and urban redevelopment project services); (iii) community value-added services (including parking space management) and professional services (including elevator services).

According to the “Letter from the Board”, the Directors are of the view that given Times Neighborhood Group’s long-standing relationship with the Group and its extensive professional knowledge and experience in the provision of the Services, it will be able to offer continuous quality services to the Group. As advised by the Management, since its spin-off from the Group and separate listing on the Stock Exchange in December 2019 and up to the Latest Practicable Date, the Times Neighborhood Group has not only provided the relevant services to the Group but also acquired additional experience by serving other customers. Given the long term harmonious business relationship and proven track record of the Times Neighborhood Group, the CCT Agreement offers the Group with flexibility to leverage on the established relationship. We further noted that in the first half of 2021, Times Neighborhood was awarded “12th in the Top 100 Property Management Companies in China” by China Index Academy.

As the purpose of the CCT Agreement is to govern the general terms of the future cooperation between the Group and the Times Neighborhood Group, the entering into of the CCT Agreement will allow the Group to invite the Times Neighborhood to compete with other service providers of the Group on the provision of the various services within the scope of the Services. During the term of the CCT Agreement, members of the Group and its associated companies may from time to time enter into individual agreements with members of the Times Neighborhood Group for the provision of the Services in accordance with the principal terms of the CCT Agreement.

Given that (i) the purpose for the Company to enter into the CCT Agreement is to govern the general terms of the future cooperation between the Group and the Times Neighborhood Group; (ii) such agreement outlines the principal terms (including the pricing policies) for each types of the Services; (iii) the Transactions are expected to be of a recurrent nature and in the ordinary and usual course of business for the Group; and (iv) the CCT Agreement allows the Group the flexibility to invite the Times Neighborhood Group to compete with other service providers of the Group on the provision of various services within the scope of the Services, we consider that the entering into of the CCT Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM ALTUS CAPITAL

3. Principal terms of the CCT Agreement

Pursuant to the CCT Agreement, the Times Neighborhood Group agreed to provide the Services to the Group. For details of other terms of the CCT Agreement, please refer to the “Letter from the Board” in the Circular. To assess the fairness and reasonableness of the CCT Agreement, we have considered the following terms:

Pricing policy

Pursuant to the CCT Agreement, the fees will be determined after arm’s length negotiations with reference to (i) the prevailing market price (taking into account the location and the conditions of the properties, the scope of the services and the anticipated operational costs including but not limited to labor costs, administration costs and materials costs) for receiving similar services offered by the Independent Third Parties; and (ii) the guidance price of the relevant services for similar type of development projects issued by the local government (if applicable). The fees shall not be higher than the fees paid by the Group and its associated companies to the Independent Third Parties in any event.

During the term of the CCT Agreement, members of the Group and its associated companies may from time to time enter into individual agreements with members of the Times Neighborhood Group for the provision of the Services in accordance with the principal terms of the CCT Agreement. We understand that the Group adopts the following pricing policy in respect of the Transactions:

- (i) each individual agreement will be negotiated on an arm’s length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (ii) the transaction price shall be determined based on the prevailing market prices after the arm’s length negotiation is reached between both parties in respect of the terms and conditions of each individual agreement to ensure that the prices offered by the Times Neighborhood Group are no less favourable to the Group than those offered by other Independent Third Parties;
- (iii) the Group shall refer to other quotations of similar products and services provided by Independent Third Parties by way of tender and review regularly as to whether the prices offered by the Times Neighborhood Group deviate materially from those offered by Independent Third Parties to ensure that the prices offered by the Times Neighborhood Group are fair and reasonable and are no less favourable than those offered by other Independent Third Parties;
- (iv) the transaction price shall be negotiated with the Times Neighborhood Group with reference to the location and the conditions of the properties, the scope of the services and the anticipated operational costs including labour costs, administration costs and material costs; and

LETTER FROM ALTUS CAPITAL

- (v) should there be any material discrepancies between the prices charged by the Times Neighborhood Group and that offered by Independent Third Parties, the prices chargeable by the Times Neighborhood Group shall be adjusted accordingly.

We understand that the Group has established internal control procedures to monitor the implementation of pricing mechanism of the Transactions including, among others, (i) making reference to relevant market information; and (ii) comparing quotations from Independent Third Parties. In this respect, we have obtained and reviewed (i) the guidance price of the relevant category of services issued by local authorities where applicable; (ii) comparison of unit prices of each category of services between the Group and the Times Neighborhood Group against unit prices of each category of services between Times Neighborhood Group and Independent Third Parties; and (iii) for each category of services, two randomly selected samples. Based on our work done, it is noted that the service fees between the Group and the Times Neighborhood Group for each category of the services are comparable to the market (i.e. either comparable to those offered by Independent Third Parties or those charged by Times Neighborhood Group to Independent Third Parties or in line with the guidance price issued by local authorities).

In light of the above and considering the monitoring measures undertaken (including independent non-executive Directors' annual review and the Group's independent auditor's report) as set out under the section headed "5. Internal control measures" below, we are of the view that the Group's internal control measures to ensure fair pricing of the Transactions have been adhered to. As such, we are of the view that there exists internal control mechanisms to protect the interests of the Company and the Shareholders as a whole in respect of the Transactions.

4. Proposed annual caps

Under the CCT Agreement, the proposed annual caps for the fees to be paid by the Group and its associated companies for each of the three years ending 31 December 2022, 2023 and 2024 will not exceed RMB1,220 million, RMB1,680 million and RMB2,150 million (the "**Proposed Annual Caps**").

According to the "Letter from the Board" in the Circular, we note that the Proposed Annual Caps are determined after taken into account of the following factors:

- (i) the transaction amounts of the services in recent years.

According to the "Letter from the Board" in the Circular, the historical transaction amounts paid by the Group, Asiaciti Enterprises (the controlling shareholder of the Company) and the associated companies of the Company for the provision of the relevant services for the three years ended 31 December 2020 and the eight months ended 31 August 2021 amounted to approximately RMB238.4 million, RMB331.8 million, RMB543.3 million and RMB321.7 million respectively;

LETTER FROM ALTUS CAPITAL

Set out below is the breakdown of such historical amounts:

<i>(RMB'000)</i>	For the year ended/ending 31 December			
	2018	2019	2020	2021
Annual caps	N/A <i>(Note 1)</i>	346,900 <i>(Note 2)</i>	630,000 <i>(Note 3)</i>	830,000 <i>(Note 4)</i>
Historical transaction amount				
Value-added services to non-property owners (including construction site management services, sales assistance services, pre-delivery cleaning services and preliminary planning and design consultancy services at pre-delivery stage)	187,552	247,683	399,047	211,445
Property management services	30,569	53,288	77,375	45,973
Car parking lots leasing management services	4,102	4,068	4,975	4,000
Sale, installation and maintenance of elevators	9,681	25,333	30,501	9,139
Instalment of internet services	789	591	10,958	12,654
Intelligent engineering services	5,694	847	20,488	38,506
Total historical transaction amount for the year/period	238,387	331,810	543,344	321,717 <i>(Note 5)</i>
Utilisation rate	N/A	95.7%	86.2%	58.1% (annualised)

Notes:

1. Not applicable since the Group completed the spin-off of Times Neighborhood on 19 December 2019.
2. For illustration purpose, the annual caps for the year ended 31 December 2019 represents the arithmetic sum of (i) the annual cap of RMB316.2 million pursuant to the master property management and related services agreement between Asiaciti Enterprises and Times Neighborhood; and (ii) the annual cap of RMB30.7 million pursuant to the master equipment sales, installation and maintenance services agreement between the Company and Times Neighborhood.
3. For illustration purpose, the annual caps for the year ended 31 December 2020 represents the arithmetic sum of (i) the annual cap of RMB545 million pursuant to the master property management and related services agreement, which are subsequently replaced with the 2020 Asiaciti Agreement between Asiaciti Enterprises and Times Neighborhood; and (ii) the annual cap of RMB85 million pursuant to master equipment sales, installation and maintenance services agreement, which are subsequently replaced by the 2020 Times China Agreement as detailed under the Company's announcement dated 4 December 2020.
4. Pursuant to the agreement dated 4 December 2020 entered into between the Company and Times Neighborhood in relation to the provision of the relevant services by the Times Neighborhood Group to the Group and its associated companies for the year ending 31 December 2021 as detailed under the Company's announcement dated 4 December 2020.
5. The figures represent historical transaction amounts up to 31 August 2021.

LETTER FROM ALTUS CAPITAL

We noted that for the total historical service fees incurred represented approximately 95.7%, 86.2% and 58.1% of the annual caps for the years ended 31 December 2019 and 2020, and the year ending 31 December 2021 in annualised terms. The Management advised that the utilisation rate decreased in 2020 and 2021 due to the outbreak of COVID-19 in 2020 and May to June 2021 in the regions where the Group's development projects were located, during which the Group's construction completion schedule was substantially negatively affected. The Management expects a higher utilisation rate of the annual caps during the remaining time of the current year.

We understand that at the time of Times Neighborhood's initial public offering, the proposed annual caps for the two years ending 31 December 2021 were projected primarily by referencing to the relevant historical transactions for the three years ended 31 December 2018 and for the period ended 30 June 2019. Notwithstanding that the historical transaction amount for the provision of the services since the financial year ended 31 December 2018 covered both Times Neighborhood's previous continuing connected transactions with the Company and Asiaciti Enterprises and they were covered by two separate continuing connected transaction agreements entered into (i) between Asiaciti Enterprises, being the controlling shareholder of the Company, and Times Neighborhood; and (ii) between the Company and Times Neighborhood, Times Neighborhood has reviewed such historical transactions thereunder and noted the services were ultimately taken up by the Group and its associated companies. The proposed new grouping of the Services under an agreement directly with the Company would reduce unnecessary legacy bureaucracy and enhance operational efficiency.

LETTER FROM ALTUS CAPITAL

According to the “Letter from the Board” in the Circular, the historical transaction amounts paid by the Group and its associated companies for the provision of the services for the three years ended 31 December 2020 and the eight months ended 31 August 2021 amounted to approximately RMB16.2 million, RMB26.8 million, RMB46.6 million and RMB321.7 million, respectively. Set out below is the breakdown of such historical amounts:

<i>(RMB'000)</i>	For the year ended/ending 31 December			
	2018	2019	2020	2021
Annual caps	N/A	30,700	85,000	830,000
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>
Historical transaction amount				
Value-added services to non-property owners (including construction site management services, sales assistance services, pre-delivery cleaning services and preliminary planning and design consultancy services at pre-delivery stage)	–	–	–	211,445
Property management services	–	–	–	45,973
Car parking lots leasing management services	–	–	–	4,000
Sale, installation and maintenance of elevators	9,681	25,333	18,469	9,139
Instalment of internet services	789	591	9,359	12,654
Intelligent engineering services	5,694	847	18,754	38,506
Total historical transaction amount for the year/period	16,164	26,771	46,582	321,717
				<i>(Note 5)</i>
Utilisation rate	N/A	87.2%	54.8%	58.1%
				(annualised)

Notes:

1. Not applicable since the Group completed the spin-off of Times Neighborhood on 19 December 2019.
2. Pursuant to the master equipment sales, installation and maintenance services agreement between the Company and Times Neighborhood.
3. Pursuant to master equipment sales, installation and maintenance services agreement, which are subsequently replaced by the 2020 Times China Agreement as detailed under the Company’s announcement on 4 December 2020.
4. Pursuant to the agreement dated 4 December 2020 entered into between the Company and Times Neighborhood in relation to the provision of the relevant services by the Times Neighborhood Group to the Group and its associated companies for the year ending 31 December 2021 as detailed under the Company’s announcement dated 4 December 2020.
5. The figures represent historical transaction amounts up to 31 August 2021.

LETTER FROM ALTUS CAPITAL

We noted that for the total historical service fees incurred represented approximately 54.8% and 58.1% of the annual caps for the year ended 31 December 2020 and the year ending 31 December 2021 in annualised terms.

- (ii) the estimated breakdown of the Services as set out below:

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

We understand the calculation of the estimated breakdown of the Services from the Management and noted that the following factors are taken into account:

- (a) For the value-added services to non-property owners, the Management has taken into account (a) cost elements such as average manpower required per project and average salary; (b) estimated number and value of projects and manpower required going forward; and (c) estimated growth in the areas of project sites requiring these services.
- (b) For the property management services, the Management has taken into account (a) the area of projects expected to be delivered by the Group; and (b) the number of entrusted management projects; and (c) the unit price level of projects. According to the “Letter from the Board” in the Circular, as at 30 June 2021, the Times Neighborhood Group operated 122 projects under development or for sale of the Group with the area of projects under management of approximately 22.6 million sq.m., representing a year-on-year increase of approximately 14.7%. It is expected that the service fees derived from the provision of property management services by the Times Neighborhood Group to the Group will increase.
- (c) For the car parking lots leasing management services, the Management has taken into account the historical data on the demand for such service.

LETTER FROM ALTUS CAPITAL

- (d) For the sale, installation and maintenance of elevators, the Management has taken into account (a) the cost elements such as average elevators required per project and average cost per elevator; and (b) estimated number and value of projects requiring elevators going forward. In particular, it is our understanding that the actual transaction amount for this service category for the eight months ended 31 August 2021 was adversely affected by delays in construction of the Group's development projects due to COVID-19 outbreak from May to June 2021 and is not a representative indication of the potential demand going forward. Albeit the Management cannot rule out the possibility of another outbreak in the future, it is in the interests of the Company and the Shareholders to obtain sufficient annual caps that afford the Group with the flexibility to fully utilise the servicing capacity of the Times Neighborhood Group as its internal control measures would ensure fair pricing (please refer to the paragraph headed "Pricing policy" in this letter above for details). In assessing the reasonableness of the proposed annual caps, we have obtained and reviewed the project pipeline for 2021 and estimated project pipeline for 2022 and noted it corresponds with the Group's overall development project plans and the proposed annual cap growth.
- (e) For the instalment of internet services and intelligent engineering services, the Management has taken into account (a) cost elements such as average price per project; (b) the estimated portion of the intelligent engineering services provided by the Times Neighborhood Group; and (c) the estimated GFA of properties to be delivered in the next three years.

We noted that the above factors reflected the nature of the fees that may be incurred from the respective category of the Services and is therefore fair and reasonable.

- (iii) the projected demand of the Services for the three years ending 31 December 2024 and the estimated growth of the Services.

In this regard, we have obtained and reviewed the Group's property development plan for the three years ending 31 December 2024, we noted the growth in Proposed Annual Caps for the same period is generally in line with the estimated growth in the business activities requiring the Services.

Given that (i) the historical utilisation rate of the existing annual caps remains reasonable despite the negative impact brought about by construction delays in 2020 and 2021 due to the outbreak of COVID-19; (ii) the factors taken into account to arrive at the estimated breakdown of the Services reflected the nature of each category of the Services; (iii) the growth in Proposed Annual Caps is in line with the Group's future business plan; and (iv) considering the CCT Agreement shall afford the Group with the flexibility to engage Times Neighborhood Group, an established service provider, for the Services, it is in the interests of the Company and the Shareholders to obtain sufficient annual caps that provide the Group with the option to fully utilise the potential servicing capacity of the Times Neighborhood Group, should the terms offered by Times Neighborhood satisfy all the requirements stated in the aforementioned pricing policy, we concur with the Directors that the Proposed Annual Caps are fair and reasonable.

5. Internal control measures

According to the “Letter from the Board” in the Circular, we understand the Group will adopt a set of internal control measures in connection with the Transactions, details of which are set out in the paragraph headed “Internal control” under the “Letter from the Board” in the Circular.

Internal control measures on monitoring the annual caps

In particular, we noted that the finance department will take proper records of the actual transaction amounts between the Group and the Times Neighborhood Group and will review the aggregate transaction amounts on a monthly basis. To ensure that the annual caps will not be exceeded, the finance department will alert the management and purchasing team the aggregate transaction amounts on a monthly basis.

We noted that the independent non-executive Directors of the Company have reviewed the continuing connected transactions and have confirmed that the continuing connected transactions have been entered into, among others, (i) on normal commercial terms or better; and (ii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

In addition, the Company’s independent auditor was engaged to report on the Group’s continuing connected transactions and confirmed that nothing has come to their attention that causes them to believe the continuing connected transactions, among others, have exceeded the relevant annual caps.

Having reviewed (i) sample monthly reports issued by the finance department regarding the actual transaction amounts between the Group and the Times Neighborhood Group including the remaining transaction amounts under the approved annual caps; (ii) confirmation made by the independent non-executive Directors’ on the Group’s 2020 Annual Report; and (iii) independent auditors’ report on continuing connected transactions for the year ended 31 December 2020, we are of the view that such internal control measure for monitoring the annual caps have been effectively implemented.

Internal control measures on fairness and reasonableness of the terms

We have obtained and reviewed (i) sample monthly reports issued by the finance department regarding the actual transaction amounts between the Group and the Times Neighborhood Group including the remaining transaction amounts under the approved annual caps; (ii) independent auditors’ assurance report issued by the external auditors regarding the pricing and transaction amount between the Group and the Times Neighborhood Group; (iii) sample tender records from service providers including the Times Neighborhood Group in relation to the services; and (iv) the confirmation made by the independent non-executive Directors set out in the 2020 Annual Report regarding the terms of the fairness and reasonableness of the existing continuing connected transactions.

LETTER FROM ALTUS CAPITAL

In view of the procedures and arrangements set out above, we consider that there exists the appropriate procedures and arrangements to ensure the Transactions will be conducted on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the terms of the CCT Agreement and the Transactions contemplated thereunder (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) the Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group. Accordingly, we recommend the independent Shareholders, as well as the Independent Board Committee to advise the independent Shareholders, to vote in favour of the Resolution at the EGM.

Yours faithfully

For and on behalf of

Altus Capital Limited

Jeanny Leung

Executive Director

Charlotte Khoo

Executive Director

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions.*

*Ms. Charlotte Khoo (“**Ms. Khoo**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. Ms. Khoo has over 10 years of experience in corporate finance and advisory in Hong Kong, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance transactions. Ms. Khoo is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Shares

Name of Director	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of total issued Shares
Shum Chiu Hung ⁽²⁾	Interest in a controlled corporation	1,244,877,716 (L)	62.74%
Guan Jianhui ⁽³⁾	Interest of spouse	46,350,000 (L)	2.34%
Bai Xihong ⁽⁴⁾	Interest of spouse	2,017,000 (L)	0.10%
	Beneficial owner	43,074,000 (L)	2.17%
Shum Siu Hung	Beneficial owner	1,318,000 (L)	0.07%

Notes:

- (1) The letter "L" denotes long positions in such securities.
- (2) As at the Latest Practicable Date, Mr. Shum Chiu Hung is deemed to be interested in 1,244,877,716 Shares, representing approximately 62.74% of the issued share capital of the Company. 1,244,877,716 Shares were held by Asiatic Enterprises, which is wholly owned by Super Reach, which is in turn 60% and 40% owned by Renowned Brand Investments Limited ("Renowned Brand") and East Profit Management Limited ("East Profit") respectively. Renowned Brand is wholly owned by Mr. Shum Chiu Hung.

- (3) As at the Latest Practicable Date, Ms. Chen Jie Yan, the spouse of Mr. Guan Jianhui is interested in 46,350,000 Shares. Mr. Guan Jianhui is deemed to be interested in those Shares.
- (4) As at the Latest Practicable Date, Ms. Wan Zhi Ning, the spouse of Mr. Bai Xihong is interested in 2,017,000 Shares. Mr. Bai Xihong is deemed to be interested in those Shares.

Interest in associated corporations

Name of Director	Associated corporation	Nature of interest	Number of shares	Approximate percentage in the registered capital of the associated corporation
Shum Chiu Hung ⁽¹⁾	Asiaciti Enterprises	Interest in a controlled corporation	120	60%
Shum Chiu Hung ⁽¹⁾	Super Reach	Interest in a controlled corporation	180	60%
Shum Chiu Hung ⁽¹⁾	Renowned Brand	Beneficial owner	1	100%
Shum Chiu Hung ⁽²⁾	Times Neighborhood	Interest in a controlled corporation	468,250,769	47.51%
Guan Jianhui ⁽³⁾	Times Neighborhood	Interest of spouse	20,833,173	2.11%
Bai Xihong ⁽⁴⁾	Times Neighborhood	Interest of spouse	20,021,484	2.03%
		Beneficial owner	509,000	0.05%
Shum Siu Hung	Times Neighborhood	Beneficial owner	561,839	0.06%

Notes:

- (1) Asiaciti Enterprises is wholly owned by Super Reach which is 60% owned by Renowned Brand, which is in turn wholly owned by Mr. Shum Chiu Hung.
- (2) As at the Latest Practicable Date, Mr. Shum Chiu Hung is deemed to be interested in 468,250,769 shares of Times Neighborhood, representing approximately 47.51% of the issued share capital of Times Neighborhood. 468,250,769 shares of Times Neighborhood were held by Best Source which is wholly owned by Super Reach, which is in turn 60% and 40% owned by Renowned Brand and East Profit respectively. Renowned Brand is wholly owned by Mr. Shum Chiu Hung.
- (3) As at the Latest Practicable Date, Ms. Chen Jie Yan, the spouse of Mr. Guan Jianhui is interested in 20,833,173 shares of Times Neighborhood. Mr. Guan Jianhui is deemed to be interested in those shares of Times Neighborhood.
- (4) As at the Latest Practicable Date, Ms. Wan Zhi Ning, the spouse of Mr. Bai Xihong is interested in 20,021,484 shares of Times Neighborhood. Mr. Bai Xihong is deemed to be interested in those shares of Times Neighborhood.

Interest in debentures of the Company

Name of Director	Nature of interest	Principal amount of debentures	Unit size of debentures
Shum Chiu Hung ⁽¹⁾⁽²⁾	Interest of spouse	USD9,500,000	1,000

Notes:

- (1) The USD6,000,000 debentures are held by Ms. Li Yiping. Mr. Shum Chiu Hung is deemed to be interested in those debentures. The debentures bearing interest at a rate of 5.75% per annum payable semi-annually, will mature on 26 April 2022.
- (2) The USD3,500,000 debentures are held by Ms. Li Yiping. Mr. Shum Chiu Hung is deemed to be interested in those debentures. The debentures bearing interest at a rate of 5.55% per annum payable semi-annually, will mature on 4 June 2024.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial Shareholders' interest

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

Name	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of total issued Shares
Ms. Li Yiping ⁽²⁾	Interest in a controlled corporation	1,244,877,716 (L)	62.74%
Asiaciti Enterprises ⁽²⁾	Beneficial owner	1,244,877,716 (L)	62.74%
Super Reach ⁽²⁾	Interest in a controlled corporation	1,244,877,716 (L)	62.74%

Name	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of total issued Shares
Renowned Brand ⁽³⁾	Interest in a controlled corporation	1,244,877,716 (L)	62.74%
East Profit ⁽³⁾	Interest in a controlled corporation	1,244,877,716 (L)	62.74%

Notes:

- (1) The letter "L" denotes long positions in such securities.
- (2) As at the Latest Practicable Date, Ms. Li Yiping, the spouse of Mr. Shum Chiu Hung, is deemed to be interested in 1,244,877,716 Shares, representing approximately 62.74% of the issued share capital of the Company. 1,244,877,716 Shares were held by Asiaciti Enterprises, which is wholly owned by Super Reach, which is in turn 60% and 40% owned by Renowned Brand and East Profit respectively. East Profit is wholly owned by Ms. Li Yiping.
- (3) Renowned Brand and East Profit hold 60% and 40% equity interest in Asiaciti Enterprises respectively. As such, each of them is deemed to be interested in 1,244,877,716 Shares held by Asiaciti Enterprises.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which are required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register of the Company required to be kept under Section 336 of the SFO.

3. COMPETING BUSINESS

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

4. DIRECTORS' SERVICE CONTRACTS

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

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

As at the Latest Practicable Date:

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

6. QUALIFICATION OF EXPERT AND CONSENT

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

Name	Qualification
Altus Capital Limited	a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

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

7. NO MATERIAL ADVERSE CHANGE

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

8. DOCUMENTS ON DISPLAY

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

- (a) the letter from the Independent Board Committee dated 22 November 2021, the text of which is set out on page 18 of this circular;
- (b) the letter from Altus Capital dated 22 November 2021, the text of which is set out on pages 19 to 32 of this circular;
- (c) the written consent of Altus Capital, which was referred to in the section headed "Qualification of Expert and Consent" in this appendix;
- (d) the CCT Agreement; and
- (e) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



TIMES CHINA HOLDINGS LIMITED

時代中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**Extraordinary General Meeting**”) of Times China Holdings Limited (the “**Company**”) will be held at Suites 3905-3908, 39/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on 9 December 2021 (Thursday) at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company. Unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 22 November 2021:

ORDINARY RESOLUTION

“THAT

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

By Order of the Board
Times China Holdings Limited
Niu Jimin
Executive Director

Hong Kong, 22 November 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

<i>Registered office:</i>	<i>Headquarters in the People's</i>	<i>Principal place of business</i>
Windward 3	<i>Republic of China:</i>	<i>in Hong Kong:</i>
Regatta Office Park	36-38/F, Times Property Center	Suites 3905-3908, 39/F
PO Box 1350	410-412 Dongfeng Zhong Road	Two Exchange Square
Grand Cayman KY1-1108	Guangzhou	8 Connaught Place
Cayman Islands	Guangdong Province	Central
	PRC	Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint another person as his/ her proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
- (ii) In the case of joint holders of any share, any one of such persons may vote at the Extraordinary General Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the Extraordinary General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Extraordinary General Meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The transfer books and register of members of the Company will be closed from 6 December 2021 (Monday) to 9 December 2021 (Thursday), both days inclusive, to determine the entitlement of shareholders to attend and vote at the Extraordinary General Meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 3 December 2021 (Friday).