
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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(Incorporated in Hong Kong with limited liability)

(Stock Code: 6626)

**(1) CONTINUING CONNECTED TRANSACTION —
INTELLIGENT SERVICES FRAMEWORK AGREEMENT;
(2) NOTICE OF GENERAL MEETING;
AND
(3) CLOSURE OF REGISTER OF MEMBERS**

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



A letter from the Board is set out on pages 7 to 15 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 16 to 17 of this circular. A letter from Somerley Capital Limited, the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 30 of this circular.

A notice convening the general meeting of the Company to be held at Island Ballroom C (Level 5), Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 29 June 2022 at 10 a.m. is set out on pages GM-1 to GM-2 of this circular. Whether or not you are able to attend and vote at the general meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the general meeting or any adjournment thereof. Completion and return of the form of proxy as instructed will not preclude you from subsequently attending and voting at the general meeting or any adjourned meeting if you so wish.

PRECAUTIONARY MEASURES FOR THE GENERAL MEETING

In order to prevent and control the spread of novel coronavirus ("COVID-19") pandemic and to safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the General Meeting:

- limited attendance in person at the General Meeting venue;
- compulsory wearing of surgical face masks at all the times at the General Meeting venue;
- scanning of the "LeaveHomeSafe" venue QR code;
- complying with the requirements of the "Vaccine Pass Direction"[#];
- compulsory body temperature checks and hand sanitizing before entry into the General Meeting venue;
- no provision of refreshments and gift coupons/souvenirs; and
- any other additional precautionary measures as appropriate.

[#] "Vaccine Pass Direction" is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the laws of Hong Kong)

Any person who does not comply with the precautionary measures may be denied entry into or required to leave the General Meeting venue. The Company would like to remind all Shareholders that physical attendance at the General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the Chairman of the General Meeting as their proxy to vote on the relevant resolutions at the General Meeting. Completion and return of the proxy forms will not preclude the Shareholders from attending and voting in person at the General Meeting or any adjournment thereof should they subsequently so wish, and in such case, the proxy forms previously submitted shall be deemed to be revoked. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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PRECAUTIONARY MEASURES FOR THE GENERAL MEETING

In view of the ongoing COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following precautionary measures at the General Meeting:

LIMITED ATTENDANCE IN PERSON AT THE GENERAL MEETING VENUE

The Company will limit attendance in person at the General Meeting venue in accordance with prevailing requirements or guidelines published by the HKSAR Government and/or regulatory authorities at the time of the General Meeting. Given the limited capacity of the General Meeting venue to ensure social distancing, only Shareholders and/or their representatives and relevant staff will be admitted to the General Meeting. Admission to the General Meeting venue will not be granted in excess of the capacity of the General Meeting venue.

HEALTH AND SAFETY MEASURES AT THE GENERAL MEETING

- (i) All attendees are requested to wear surgical face masks at the General Meeting venue at all times, and to maintain a safe distance with other attendees;
- (ii) each attendee must scan the “LeaveHomeSafe” venue QR code and comply with the requirements of the Vaccine Pass Direction[#] prior to entry into the General Meeting venue;
- (iii) all attendees are required to confirm that (i) he/she has not travelled outside of Hong Kong within 14 days immediately before the General Meeting (“**Recent Travel History**”); (ii) he/she is not subject to any compulsory quarantine prescribed by the Government; (iii) to his/her knowledge, he/she has not, within 14 days immediately before the General Meeting, had close contact with any person under quarantine or with Recent Travel History; (iv) his/her test result is negative if he/she is subject to the Government’s prescribed testing requirement or direction; and (v) he/she has no COVID-19 symptoms. Any person who fails to provide the required confirmation, or if he/she shows COVID-19 symptoms, may be denied entry into the General Meeting venue or be required to leave the General Meeting venue;
- (iv) compulsory body temperature checks will be conducted on all attendees at the entrance of the General Meeting venue. Any attendees with a body temperature of over 37.2 degree Celsius may be denied entry into the General Meeting venue or be required to leave the General Meeting venue;
- (v) all attendees must wash their hands with alcohol-based hand sanitizer before entering the General Meeting venue;
- (vi) no refreshments and gift coupons/souvenirs will be provided; and
- (vii) any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Government, the regulatory authorities and/or the General Meeting venue, or as considered appropriate in light of the development of the COVID-19 pandemic.

PRECAUTIONARY MEASURES FOR THE GENERAL MEETING

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the General Meeting venue or request any person to leave the General Meeting venue in order to ensure the safety of the attendees at the General Meeting.

Attendees are requested (i) to consider carefully the risk of attending the General Meeting, which will be held in an enclosed environment, (ii) to follow any prevailing requirements or guidelines of the HKSAR Government relating to COVID-19 in deciding whether or not to attend the General Meeting, and (iii) not to attend the General Meeting if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

In the interest of all stakeholders' health and safety and in response to the recent guidelines on prevention and control of COVID-19 pandemic, Shareholders are reminded that **physical attendance in person at the General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by completing proxy form in accordance with the instructions printed thereon, Shareholders may appoint the Chairman of the General Meeting as proxy to vote on the relevant resolutions at the General Meeting instead of attending the General Meeting or any adjourned meeting in person.** Completion and return of the proxy forms will not preclude the Shareholders from attending and voting in person at the General Meeting or any adjournment thereof should they subsequently so wish, and in such case, the proxy forms previously submitted shall be deemed to be revoked.

The proxy form is attached to this circular for registered Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website at www.yuexiuservices.com and the Stock Exchange's website at www.hkexnews.hk. If you are not a registered Shareholder (if your shares are held via banks, brokers or custodians), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

If Shareholders choosing not to attend the General Meeting in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via email: ir@yuexiuproperty.com.

[#] "Vaccine Pass Direction" is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Chapter 599L of the laws of Hong Kong)

DEFINITIONS

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

“Annual Caps”	the annual caps under the Intelligent Services Framework Agreement for the three years ending 31 December 2022, 31 December 2023 and 31 December 2024
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“BVI”	British Virgin Islands
“Company”	Yuexiu Services Group Limited (越秀服務集團有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 6626)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transaction Announcement”	the announcement of the Company dated 20 May 2022 in relation to the Intelligent Services Framework Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“GCCD”	Guangzhou City Construction & Development Co., Ltd.* (廣州市城市建設開發有限公司), a limited liability company established in the PRC and is indirectly owned as to 95% by GCD China and directly owned as to 5% by GCCD Group
“GCCD Group”	Guangzhou City Construction & Development Group Co., Ltd.* (廣州市城市建設開發集團有限公司) (previously known as Guangzhou City Construction & Development Holding Company* (廣州市城市建設開發總公司)), a limited liability company established in the PRC and is ultimately wholly owned by GZYX
“GCD China”	Guangzhou Construction & Development Holdings (China) Limited (城市建設開發集團(中國)有限公司), a company with limited liability incorporated in the BVI and is directly wholly owned by Yuexiu Property. GCD China is a controlling shareholder of the Company

DEFINITIONS

“General Meeting”	the general meeting of Shareholders to be held at Island Ballroom C (Level 5), Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 29 June 2022 at 10 a.m. to consider and, if thought fit, to approve the Intelligent Services Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Caps)
“GMIF”	Guangzhou Metro Investment Finance (HK) Limited (廣州地鐵投融資(香港)有限公司), a limited company incorporated in Hong Kong and a direct wholly-owned subsidiary of GZ Metro
“Greater Bay Area”	Guangdong — Hong Kong — Macao Greater Bay Area
“Group”	the Company and its subsidiaries
“GZ Metro”	Guangzhou Metro Group Co., Ltd.* (廣州地鐵集團有限公司), a limited liability company established in the PRC and a direct wholly-owned subsidiary of Guangzhou Municipal People’s Government of the PRC. GZ Metro is a connected person of the Company at subsidiary level
“GZYX”	Guangzhou Yue Xiu Holdings Limited* (廣州越秀集團股份有限公司), a company established in the PRC with limited liability, which is majority owned by the Guangzhou Municipal People’s Government of the PRC and is the ultimate controlling shareholder of Yuexiu Property and the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKSAR Government”	the Government of Hong Kong
“Independent Board Committee”	the independent board committee of the Company comprising all independent non-executive Directors, namely Mr. Hung Shing Ming, Ms. Hui Lai Kwan and Mr. Chan Yuen Hang Kenneth
“Independent Financial Adviser”	Somerley Capital Limited, a corporation licenced to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the Intelligent Services Framework Agreement

DEFINITIONS

“Independent Shareholders”	the Shareholders, other than GZYZ and Yuexiu Property and their respective associate(s) who are not prohibited from voting at the General Meeting in respect of the Intelligent Services Framework Agreement and the transactions contemplated thereunder (including the proposed Annual Caps)
“Independent Third Parties”	any entity or person who is not a connected person of the Company
“Intelligent Services Framework Agreement”	the intelligent services framework agreement dated 20 May 2022 entered into by and among the Company, GZYZ and Yuexiu Property in relation to the provision of Intelligent Services by the Company and/or its subsidiaries to GZYZ and Yuexiu Property and/or their respective subsidiaries and associates
“Intelligent Services”	has the meaning given to it in the section headed “Intelligent Services Framework Agreement”
“Latest Practicable Date”	8 June 2022, being the latest practicable date for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Notice of General Meeting”	the notice included in this circular in respect of the General Meeting to consider and, if though fit, approve the Intelligent Services Framework Agreement and the transactions contemplated thereunder
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pricing Proposal”	has the meaning given to it in the sub-section headed “Intelligent Services Framework Agreement — Pricing Policy”
“RMB”	renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571) as amended from time to time
“Shareholder(s)”	registered holders of the shares in the Company from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yuexiu Property”	Yuexiu Property Company Limited (越秀地產股份有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00123) and the Company’s Controlling Shareholder
“YXE”	Yue Xiu Enterprises (Holdings) Limited (越秀企業(集團)有限公司), a company incorporated in Hong Kong with limited liability and which is a wholly-owned subsidiary of GZYX and the Company’s controlling shareholder
“%”	per cent.

* *For identification purpose only*

LETTER FROM THE BOARD



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 6626)

Executive Directors:

Mr. Zhang Jianguo
Mr. Mao Liangmin
Mr. Zhang Jin

Registered office:

26/F, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

Non-executive Directors:

Mr. Lin Feng (*Chairman of the Board*)
Mr. Yao Xiaosheng
Mr. Yang Zhaoxuan

Independent Non-executive Directors:

Mr. Hung Shing Ming
Ms. Hui Lai Kwan
Mr. Chan Yuen Hang Kenneth

13 June 2022

To the Shareholders

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION —
INTELLIGENT SERVICES FRAMEWORK AGREEMENT
AND
(2) NOTICE OF GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 20 May 2022 in relation to, among other things, the Intelligent Services Framework Agreement.

The purpose of this circular is to provide you with (i) further information on the details of the Intelligent Services Framework Agreement and the transactions contemplated thereunder; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the General Meeting.

LETTER FROM THE BOARD

INTELLIGENT SERVICES FRAMEWORK AGREEMENT

On 20 May 2022, the Company entered into the Intelligent Services Framework Agreement with GZYX and Yuexiu Property, pursuant to which the Group agreed to provide to GZYX, Yuexiu Property and their respective subsidiaries and associates the Intelligent Services comprising of (i) sales and installation services for intelligent products such as video surveillance system, access control system, carpark management system, video intercom system and smart home system; (ii) video surveillance software system development services; and (iii) the related design and consultation services (the “**Intelligent Services**”).

Principal terms

The principal terms of the Intelligent Services Framework Agreement are as follows:

Date: 20 May 2022

Parties: (a) the Company;
(b) GZYX; and
(c) Yuexiu Property

Term: Subject to the fulfillment or waiver of the conditions precedent, the term of the Intelligent Services Framework Agreement shall commence from the date of approval at the General Meeting and shall continue up to and including 31 December 2024. Subject to compliance with the Listing Rules, the Intelligent Services Framework Agreement may be renewed by the Company, GZYX and Yuexiu Property by agreement in writing.

Conditions precedent: The Intelligent Services Framework Agreement is conditional upon the parties obtaining the necessary approvals or waivers for the entering into of the Intelligent Services Framework Agreement and the transactions contemplated thereunder, including the approval by the Independent Shareholders of the Intelligent Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) at the General Meeting. If the conditions precedent are not fulfilled on or before 31 December 2022 or such later date as agreed by and among the Company, GZYX and Yuexiu Property, the Intelligent Services Framework Agreement shall terminate with immediate effect without liability on any party.

LETTER FROM THE BOARD

Payment terms: The fees and payments due to the Group shall be paid as follows: (i) approximately 20% to 30% of the total fees will be paid as prepayment amount within 60 days of the date of signing of the separate agreement to be entered between a member of the Group and GZYG, Yuexiu Property or their respective subsidiaries and associates for the provision of the Intelligent Services; (ii) during the course of the provision of the Intelligent Services, approximately 60% to 70% of the total fees (and in aggregate not more than 90% of the total fees) will be paid within 60 days after issuing the relevant invoice on a quarterly basis according to the progress of work; (iii) approximately 7% of the total fees (and in aggregate not more than 97% of the total fees) will be paid within 60 days after issuing the invoice after acceptance and clearance of the Intelligent Services work; and (iv) the remaining balance shall be paid within 60 days after issuing the invoice upon completion of the warranty period which is normally one to two years after the completion of the Intelligent Services work.

Historical Transaction Amounts

The Group had not provided any Intelligent Services to GZYG, Yuexiu Property or their respective subsidiaries and associates prior to the Latest Practicable Date.

Annual Caps

The maximum annual fee payable to the Group under the Intelligent Services Framework Agreement for each of the financial years ending 31 December 2022, 2023 and 2024 will not exceed the Annual Caps set out below:

	Year ending 31 December		
	2022	2023	2024
	(RMB'000)	(RMB'000)	(RMB'000)
Total fees for the Intelligent Services Framework Agreement	271,715	525,259	691,166

The Annual Caps under the Intelligent Services Framework Agreement were determined with reference to (i) the estimated revenue to be recognized from the potential service contracts under the Intelligent Services Framework Agreement that may be granted to the Group by GZYG, Yuexiu Property and their respective subsidiaries and associates based on their existing property projects; (ii) the expected number of property projects to be developed by GZYG, Yuexiu Property and their respective subsidiaries and associates according to their business plan that may engage the Group for provision of the Intelligent Services; (iii) the Group's projected costs for the provision of the Intelligent Services to GZYG, Yuexiu Property and their respective subsidiaries and associates, including operating costs such as sales and materials costs, installation and labour costs, and direct costs, as well as the estimated increase in the projected costs annually; and (iv) the service fee calculated based on an estimated gross profit margin of 30.0% to be charged for the provision of the Intelligent Services by the Group, which is determined with reference to the prevailing market rate of service fee charged for comparable Intelligent Services generally offered by other independent service providers.

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Pricing Policy

The total fees of each project that the Group will charge for the Intelligent Services shall be determined after arm's length negotiations between the parties and on normal commercial terms with reference to (i) the type of property development and the scope and standard of the services to be provided, which are classified into four main categories, being high-end residential projects, budget residential projects, high-end commercial projects and budget commercial projects, and the anticipated total costs for providing such services under each of the said categories; and (ii) the gross profit margins charged by the Group to the Independent Third Parties for comparable Intelligent Services (if any), and if there have not been any comparable Intelligent Services provided by the Group to the Independent Third Parties, then the gross profit margins of comparable Intelligent Services generally offered by other independent service providers. In any case, the gross profit margin to be charged for the Intelligent Services shall be no less favourable than those charged by the Group to the independent customers or those charged by independent service providers for comparable Intelligent Services in the market.

To determine the total fee of each project, the Company shall prepare a pricing proposal (the "**Pricing Proposal**") which will set out the proposed total fee calculated with reference to (i) the projected costs for the project, comprising labour costs, material costs, installation costs and administrative costs based on the property type and the scope and standard of services to be offered; and (ii) the gross profit margin charged by the Group to independent customers for comparable Intelligent Services (if any), and if there have not been any such comparable Intelligent Services offered by the Group to independent customers, the gross profit margins of comparable Intelligent Services provided by independent service providers in the market. The Pricing Proposal will be submitted to the audit committee of the Board for evaluation and determination of the total fee to be charged for that project.

Reasons and benefits for entering into the Intelligent Services Framework Agreement

The Group is an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. The Group strongly believes that introducing and developing the Intelligent Services business will be of substantial benefit to it, adding to its existing property management services and allowing the Group to provide a more comprehensive property management solution to its clients. In particular, the development of Intelligent Services will benefit from the PRC's national policy on continuous development of smart city, smart community and smart home; and the growing trend of creating smart features for the property management industry, while leveraging on the Group's experience and understanding of the property management market.

Based on GZYG and Yuexiu Property's respective latest development plans, it is expected that the demand for Intelligent Services in their property development projects will substantially increase in the coming years. The Group believes that the Intelligent Services Framework Agreement will enable the Group to benefit from the business opportunities arising from GZYG and Yuexiu Property's demand for Intelligent Services in their property development projects and therefore allow the Group to develop and enhance its capabilities and experience in the provision of Intelligent Services. The

LETTER FROM THE BOARD

Group will then be able to leverage on its experience to tap into opportunities to provide Intelligent Services to Independent Third Parties. The Group is pleased that it was awarded a contract of the provision of Intelligent Services by an independent property developer in PRC in April 2022.

The Group has continued to upgrade and expand its existing business and operation systems in preparation for the commencement of the Intelligent Services business, including recruiting a team of over 30 management, sales staff and other employees, all with substantial experience and expertise within the Intelligent Services industry — substantially increasing the Group’s capability in designing, implementing and providing Intelligent Services. The Group has also registered copyrights and patents in relation to the Intelligent Services in order to enhance its competitive advantage. The Group aims to offer the Intelligent Services for both residential and non-residential properties and urban renewal projects, with a focus on improving the quality of property management services while creating efficiencies in labour costs. The Group expects that the Intelligent Services’ development and offering will substantially increase the Group’s total revenue and profitability.

Save for (i) Mr. Zhang Jianguo who is serving as a director and deputy general manager in GCCD and deputy general manager of Yuexiu Property, (ii) Mr. Lin Feng who is serving as a director and general manager of GCCD and vice chairman of board of directors, executive director and general manager of Yuexiu Property and (iii) Mr. Yao Xiaosheng who is serving as the general manager of the capital operations department of GZYX and YXE, none of the Directors has or is deemed to have a material interest in the Intelligent Services Framework Agreement and the transactions contemplated thereunder, including the Annual Caps. Hence, only Mr. Zhang Jianguo, Mr. Lin Feng and Mr. Yao Xiaosheng are required to abstain from voting on the relevant Board resolution(s) of the Company.

INTERNAL CONTROL

In order to further safeguard the interests of the Shareholders as a whole, the Group will implement the following internal control measures in relation to the continuing connected transactions under the Intelligent Services Framework Agreement:

- (i) as mentioned in the sub-section headed “Intelligent Services Framework Agreement - Pricing Policy” of this circular, in order to ensure that the total fees charged by the Group will be no less favourable than those offered by the Group to independent customers for comparable Intelligent Services (if any), or those charged by other independent service providers in the market for comparable Intelligent Services, as the case may be:
 - (a) the audit committee of the Board will review and approve the Pricing Proposal prepared by the Company;

LETTER FROM THE BOARD

- (b) the Group will keep records of historical fees (and the applicable gross profit margins) offered by the Group to independent customers for comparable Intelligent Services and maintain a database of the gross profit margins from at least three comparable service providers in the industry for provision of comparable Intelligent Services;
- (c) the Group will document the price determination process for each project under the Intelligent Services Framework Agreement for subsequent reporting and review;
- (ii) the finance department of the Company will monitor the total fees received for each project under the Intelligent Services Framework Agreement monthly to ensure the total fees received will not exceed the applicable Annual Caps;
- (iii) the Group will compile a continuing connected transaction report every six months on the transactions contemplated under the Intelligent Services Framework Agreement for review by the audit committee of the Board, the report shall comprise (a) the total amount of fees (and the applicable gross profit margins) received and payment terms for each project under the Intelligent Services Framework Agreement during the reporting period; (b) fee breakdown and comparison with the rates offered to independent customers by the Group (if any), or the gross profit margins used by other independent service providers for comparable Intelligent Services, and market payment terms; and (c) whether the applicable Annual Caps have been complied with;
- (iv) the audit committee of the Board will meet at least twice a year to review the implementation of the above measures for the transactions contemplated under the Intelligent Services Framework Agreement and report to the Board;
- (v) the Group will provide information and supporting documents to the independent non-executive Directors and auditors for them to conduct annual review of the continuing connected transactions of the Group;
- (vi) the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms, are in accordance with the Intelligent Services Framework Agreement, and are on terms that are fair and reasonable and in the interests of the Shareholders as a whole as required by the Listing Rules; and
- (vii) the auditors of the Company will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in any material respects, are not entered into in accordance with the Intelligent Services Framework Agreement, or have exceeded the Annual Caps as required by the Listing Rules.

LETTER FROM THE BOARD

INFORMATION OF THE PARTIES TO THE INTELLIGENT SERVICES FRAMEWORK AGREEMENT

The Group

The Group is an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. Its major businesses comprise (i) non-commercial property management and value-added services, which consist of property management services, value-added services to non-property owners and community value-added services; and (ii) commercial property management and operational services, which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

GZYX

GZYX, the ultimate controlling shareholder of Yuexiu Property and the Company, is a company established in the PRC with limited liability and is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX and its subsidiaries (other than the Group) are engaged in various businesses segments, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

Yuexiu Property

Yuexiu Property, a controlling shareholder of the Company which indirectly holds the shares of the Company through its direct wholly-owned subsidiary, namely GCD China, is a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 00123). Yuexiu Property and its subsidiaries (other than the Group) are principally engaged in property development and investment, deepening the implementation of the "1+4" national strategic layout and deep cultivation of the Greater Bay Area market, and focusing on expanding their business in Eastern China, Central China, Northern China and Southwestern China.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, GZYX and Yuexiu Property are controlling shareholders of the Company and therefore GZYX, Yuexiu Property and their respective associates are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Intelligent Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps under the Intelligent Services Framework Agreement exceeds 5%, the transactions contemplated under the Intelligent Services Framework Agreement are subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

FORMATION OF AN INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the continuing connected transactions under the Intelligent Services Framework Agreement and the Annual Caps are fair and reasonable, and whether the continuing connected transactions under the Intelligent Services Framework Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the General Meeting, after taking into account the recommendations of the Independent Financial Adviser.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regard.

Accordingly, your attention is drawn to the letter from the Independent Board Committee set out on pages 16 to 17 of this circular, which contains its recommendation to the Independent Shareholders and the letter from the Independent Financial Adviser set out on pages 18 to 30 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders.

GENERAL MEETING

The General Meeting will be held at 10 a.m. on Wednesday, 29 June 2022 at Island Ballroom C (Level 5), Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong for the purpose of considering and, if thought fit, passing the resolutions set out in the notice of the General Meeting, which is set out on pages GM-1 to GM-2 of this circular. Whether or not you are able or intend to attend and vote at the General Meeting in person, you are requested to complete and return the enclosed form of proxy to the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy will be deemed to be revoked.

The voting in respect of the resolutions to be proposed at the General Meeting will be conducted by way of a poll.

As at the Latest Practicable Date, GCD China and its associates were interested in an aggregate of 1,018,600,000 Shares, representing approximately 66.92% of the total issued share capital of the Company. GCD China and its associates will abstain from voting at the General Meeting in respect of the proposed resolutions to approve the Intelligent Services Framework Agreement and the Annual Caps. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates has a material interest in the Intelligent Services Framework Agreement and the Annual Caps, therefore no other Shareholder would be required to abstain from voting on the relevant resolutions to be proposed at the General Meeting.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 27 June 2022 to Wednesday, 29 June 2022 (both days inclusive) in order to determine entitlements for attending and voting at the General Meeting. In order to qualify for attending and voting at the General Meeting, all share transfer accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 24 June 2022.

RECOMMENDATION

The Directors (including the independent non-executive Directors whose views have been set out in the Letter from the Independent Board Committee in this circular after taking into consideration the advice of the Independent Financial Adviser but excluding the Directors who have abstained from voting on the relevant Board resolutions of the Company) consider that the continuing connected transactions contemplated under the Intelligent Services Framework Agreement have been conducted by the Company in its ordinary and usual course of business, on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and the relevant Annual Caps for the transactions contemplated under the Intelligent Services Framework Agreement are fair and reasonable. The Directors therefore recommend the Independent Shareholders to vote in favour of the relevant resolutions set out in the notice of the General Meeting.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Since the Intelligent Services Framework Agreement is subject to the fulfilment of the conditions precedent set out therein and the transactions contemplated thereunder may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Yours faithfully,
By Order of the Board of
Yuexiu Services Group Limited
ZHANG Jianguo
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Intelligent Services Framework Agreement and the transactions contemplated thereunder.



(Incorporated in Hong Kong with limited liability)
(Stock Code: 6626)

13 June 2022

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION — INTELLIGENT SERVICES FRAMEWORK AGREEMENT

We refer to the circular of the Company dated 13 June 2022 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms defined in the Circular have the same meanings in this letter unless the context otherwise requires.

In compliance with the Listing Rules, we have been appointed to advise the Independent Shareholders as to whether, in our opinion, the transactions contemplated under the Intelligent Services Framework Agreement are conducted by the Company in its ordinary and usual course of business, are on normal commercial terms, are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. In this connection, Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Intelligent Services Framework Agreement.

We wish to draw your attention to the letter from the Board set out on pages 7 to 15 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 18 to 30 of the Circular which contains its opinion in respect of transactions contemplated under the Intelligent Services Framework Agreement.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of the Independent Financial Adviser and its recommendation in relation thereto, we consider that the transactions contemplated under the Intelligent Services Framework Agreement are conducted by the Company in its ordinary and usual course of business, are on normal commercial terms, are in the interests of the Company and the Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend that you vote in favour of the relevant resolutions set out in the notice of the General Meeting.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Yuexiu Services Group Limited

HUNG Shing Ming
*Independent Non-executive
Director*

HUI Lai Kwan
*Independent Non-executive
Director*

CHAN Yuen Hang Kenneth
*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in the Circular.



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

13 June 2022

*To: The Independent Board Committee and the Independent Shareholders of
Yuexiu Services Group Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTION — INTELLIGENT SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and Independent Shareholders in connection with the entering into of the Intelligent Services Framework Agreement with GZYY and Yuexiu Property, pursuant to which the Group agreed to provide to GZYY, Yuexiu Property and their respective subsidiaries and associates the Intelligent Services. Details of the Intelligent Services Framework Agreement are contained in the circular to the Shareholders dated 13 June 2022 (the “**Circular**”), of which this letter forms a part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As GZYY and Yuexiu Property are the controlling shareholders of the Company, GZYY, Yuexiu Property and their respective associates are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Intelligent Services Framework Agreement will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Annual Caps under the Intelligent Services Framework Agreement exceeds 5%, the transactions contemplated under the Intelligent Services Framework Agreement are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As stated in the letter from the Board, the Company has established the Independent Board Committee comprising all independent non-executive Directors to advise the Independent Shareholders as to whether the continuing connected transactions under the Intelligent Services Framework Agreement and the Annual Caps are fair and reasonable, and whether the continuing connected transactions under the Intelligent Services Framework Agreement are on normal

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the General Meeting. We have been appointed to advise the Independent Board Committee in this regard.

GCD China and its associates will abstain from voting at the General Meeting in respect of the proposed resolutions to approve the Intelligent Services Framework Agreement and the Annual Caps. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder or any of its associates has a material interest in the Intelligent Services Framework Agreement and the Annual Caps, therefore no other Shareholders would be required to abstain from voting on the relevant resolutions to be proposed at the General Meeting.

During the past two years, Somerley is acting or has acted as the independent financial adviser (the "**IFA Engagements**") to the independent board committee and independent shareholders / unitholders of Yuexiu Property and Yuexiu Real Estate Investment Trust ("**Yuexiu REIT**") in relation to connected transactions and continuing connected transactions and Chong Hing Bank Limited ("**Chong Hing Bank**") in relation to its privatisation proposal. GZYX is the controlling shareholder of each of Yuexiu Property and Chong Hing Bank and the substantial unitholder of Yuexiu REIT. For details of those announced transactions for which we have been engaged as the independent financial adviser in the past two years, please refer to Yuexiu Property's announcements dated 22 November 2020, 23 November 2020, 23 December 2020, 8 February 2021 and 31 December 2021, Yuexiu REIT's announcements dated 20 November 2020 and 24 October 2021 and Chong Hing Bank's announcement dated 19 May 2021. The above IFA Engagements were limited to providing independent financial advisory services to each of Yuexiu Property, Yuexiu REIT and Chong Hing Bank pursuant to the Listing Rules, the Code on Real Estate Investment Trusts and the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong, as the case may be, and Somerley, in return, has received fixed normal advisory fees from them. Somerley is not aware of any circumstances as set out in Rule 13.84 under the Listing Rules or any other matters which may cause it to have a conflict of interest in acting as the independent financial adviser regarding the Intelligent Services Framework Agreement and the Annual Caps.

We, Somerley Capital Limited, are not associated with the Company, GZYX, Yuexiu Property, their respective substantial shareholders or associates, and accordingly, are considered eligible to give independent advice on the Intelligent Services Framework Agreement and the Annual Caps. Apart from normal professional fees payable to us by the Company in connection with this engagement, no arrangement exists whereby we will receive any other fees or benefits from the Company, GZYX, Yuexiu Property, their substantial shareholders or associates.

In formulating our opinion and recommendation, we have reviewed, among other things, the Intelligent Services Framework Agreement, the independent advisory report (the "**Advisory Report**") issued by Cushman & Wakefield Limited, an independent advisor (the "**Independent Advisor**") and the information set out in the Circular. We have also discussed with the management of the Group regarding the businesses of and the commercial implications of the Intelligent Services Framework Agreement on the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In addition, we have relied on the information and facts supplied, and the opinions and intention expressed, by the Directors and management of the Group and have assumed that they are true, accurate and complete and will remain true, accurate and complete up to the time of the General Meeting. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth or accuracy of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

1. Information on the Group

The Group is an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. Its major businesses comprise (i) non-commercial property management and value-added services, which consist of property management services, value-added services to non-property owners and community value-added services; and (ii) commercial property management and operational services, which consist of commercial operation and management services and market positioning consultancy and tenant sourcing services.

2. Information on GZYX and Yuexiu Property

GZYX, the ultimate controlling shareholder of Yuexiu Property and the Company, is a company established in the PRC with limited liability and is majority owned by the Guangzhou Municipal People's Government of the PRC. GZYX and its subsidiaries (other than the Group) are engaged in various businesses segments, including (i) real estate and property development business; (ii) commercial banking, asset management, finance leasing, futures, business investment and other financial services; (iii) transportation, infrastructure and construction business; and (iv) livestock breeding, dairy industry, food processing and other businesses.

Yuexiu Property, a controlling shareholder of the Company which indirectly holds the shares of the Company through its direct wholly-owned subsidiary, namely GCD China, is a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (stock code: 00123). Yuexiu Property and its subsidiaries (other than the Group) are principally engaged in property development and investment, deepening the implementation of the "1+4" national strategic layout and deep cultivation of the Greater Bay Area market, and focusing on expanding their business in Eastern China, Central China, Northern China and Southwestern China.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Reasons for and benefits for the entering into of the Intelligent Services Framework Agreement

As stated in the letter from the Board, the Group is an urban operation service provider in China and a key market player offering integrated property management services in the Greater Bay Area. The Group strongly believes that introducing and developing the Intelligent Services business will be of substantial benefit to it, adding to its existing property management services and allowing the Group to provide a more comprehensive property management solution to its clients. In particular, the development of Intelligent Services will benefit from the PRC's national policy on continuous development of smart city, smart community and smart home; and the growing trend of creating smart features for the property management industry, while leveraging on the Group's experience and understanding of the property management market.

Based on GZYG and Yuexiu Property's respective latest development plans, it is expected that the demand for Intelligent Services in their property development projects will substantially increase in the coming years. The Group believes that the Intelligent Services Framework Agreement will enable the Group to benefit from the business opportunities arising from GZYG and Yuexiu Property's demand for Intelligent Services in their property development projects and therefore allow the Group to develop and enhance its capabilities and experience in the provision of Intelligent Services. The Group will then be able to leverage on its experience to tap into opportunities to provide Intelligent Services to Independent Third Parties. The Group is pleased that it was awarded a contract for provision of Intelligent Services by an independent property developer in the PRC in April 2022.

The Group has continued to upgrade and expand its existing business and operation systems in preparation for the commencement of the Intelligent Services business, including recruiting a team of over 30 management, sales staff and other employees, all with substantial experience and expertise within the Intelligent Services industry — substantially increasing the Group's capability in designing, implementing and providing Intelligent Services. The Group has also registered copyrights and patents in relation to the Intelligent Services in order to enhance its competitive advantage. The Group aims to offer the Intelligent Services for both residential and non-residential properties and urban renewal projects, with a focus on improving the quality of property management services while creating efficiencies in labour costs. The Group expects that the Intelligent Services' development and offering will substantially increase the Group's total revenue and profitability.

Based on the above and having also considered that (i) securing a long-term business relationship as regards the Intelligent Services with GZYG and Yuexiu Property which are large property developers in the PRC is beneficial to the Group; and (ii) the entering into of the Intelligent Services Framework Agreement is expected to bring an additional income source and considerable contribution to the Group's revenue, we concur with the Directors' view (other than the Directors who have abstained from voting on relevant Board resolutions of the Company) that the transactions under the Intelligent Services Framework Agreement are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Principal terms of the Intelligent Services Framework Agreement

On 20 May 2022, the Company entered into the Intelligent Services Framework Agreement with GZYX and Yuexiu Property, pursuant to which the Group agreed to provide to GZYX, Yuexiu Property and their respective subsidiaries and associates the Intelligent Services comprising of (i) sales and installation services for intelligent products such as video surveillance system, access control system, carpark management system, video intercom system and smart home system; (ii) video surveillance software system development services; and (iii) the related design and consultation services.

Pursuant to the Intelligent Services Framework Agreement, subject to the fulfilment or waiver of the conditions precedent, the term of the Intelligent Services Framework Agreement shall commence from the date of the approval at the General Meeting and shall continue up to and including 31 December 2024. Subject to compliance with the Listing Rules, the Intelligent Services Framework Agreement may be renewed by the Company, GZYX and Yuexiu Property by agreement in writing.

The total fees of each project that the Group will charge for the Intelligent Services shall be determined after arm's length negotiations between the parties and on normal commercial terms with reference to (i) the type of property development and the scope and standard of the services to be provided, which are classified into four main categories, being high-end residential projects, budget residential projects, high-end commercial projects and budget commercial projects, and the anticipated total costs for providing such services under each of the said categories; and (ii) the gross profit margins charged by the Group to the Independent Third Parties for comparable Intelligent Services (if any), and if there have not been any comparable Intelligent Services provided by the Group to the Independent Third Parties, then the gross profit margins of comparable Intelligent Services generally offered by other independent service providers. In any case, the gross profit margin to be charged for the Intelligent Services shall be no less favourable than those charged by the Group to the independent customers or those charged by other independent service providers for comparable Intelligent Services in the market.

To determine the total fee of each project, the Company shall prepare a pricing proposal (the "**Pricing Proposal**") which will set out the proposed total fee calculated with reference to (i) the projected costs for the project, comprising labour costs, material costs, installation costs and administrative costs based on the property type and the scope and standard of services to be offered; and (ii) the gross profit margin charged by the Group to independent customers for comparable Intelligent Services (if any), and if there have not been any such comparable Intelligent Services offered by the Group to independent customers, the gross profit margins of comparable Intelligent Services provided by independent service providers in the market. The Pricing Proposal will be submitted to the audit committee of the Board for evaluation and determination of the total fee to be charged for that project.

As stated in the letter from the Board, the fees and payments due to the Group shall be paid as follows: (i) approximately 20% to 30% of the total fees will be paid as prepayment amount within 60 days of the date of signing of the separate agreement to be entered between a member of the Group and GZYX, Yuexiu Property or their respective subsidiaries and associates for the provision of the Intelligent Services; (ii) during the course of the provision of the Intelligent Services, approximately 60% to 70% of the total fees (and in aggregate not more than 90% of the total fees) will be paid within 60 days after issuing the invoice on a quarterly basis according to the progress of work; (iii)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

approximately 7% of the total fees (and in aggregate not more than 97% of the total fees) will be paid within 60 days after issuing the invoice after acceptance and clearance of the Intelligent Services work; and (iv) the remaining balance shall be paid within 60 days after issuing the invoice upon completion of the warranty period which is normally one to two years after the completion of the Intelligent Services work.

As set out in the letter from the Board, the Group had not provided any Intelligent Services to GZYY, Yuexiu Property or their respective subsidiaries and associates prior to the Latest Practicable Date. We have discussed with the management of the Group and were advised that, as the provision of the Intelligent Services is expected to be undertaken on project basis that the Group needs to provide various types of services depending on the customers' actual requirements, it is common for business of this type to prepare budget to estimate material costs, labour costs, installation cost and administrative costs required for provision of the intelligent services based on the property type and the scope and standard of services to be offered plus margins. The margins will be determined with reference to those charged by the Group to independent customers for comparable Intelligent Services or the gross profit margins of comparable Intelligent Services provided by independent service providers in the market but such margins, in any event, will not be less favourable than the prevailing market rate of comparable Intelligent Services generally offered by other independent service providers.

The Company has engaged the Independent Advisor to assess the pricing basis as well as the payment terms for the transactions contemplated under the Intelligent Services Framework Agreement. We have obtained and reviewed credentials of the Independent Advisor and the engagement letter signed between the Company and the Independent Advisor and noted that (i) the Independent Advisor is a well-known global valuation and consulting firm recognised by the PRC and Hong Kong authorities; (ii) the team leader who is responsible for signing the Advisory Report is a certified appraiser of both China Appraisal Society and the Royal Institution of Chartered Surveyors and has participated in various valuation and advisory projects for large property developers and property management service providers; and (iii) the scope of work stated in the engagement letter signed between the Company and the Independent Advisor is appropriate for conducting the valuation for the Intelligent Services and there were no limitations on the scope of work which might adversely affect the degree of assurance given by the Advisory Report.

We have discussed with the Independent Advisor and are advised that those comparable projects typically break the full contract value into progress payments at intervals during the project schedule and the payment terms as set out above are in line with the market practice.

Given that (i) the provision of Intelligent Services will be undertaken by the Group on a project basis and it is common of business of this type to determine its pricing based on its costs plus margins; (ii) the margins will be determined by the Group with reference to those charged by the Group to independent customers or the gross profit margins of comparable Intelligent Services provided by independent service providers in the market but such margins, in any event, will not be less favourable than the prevailing market rate of comparable Intelligent Services generally offered by other independent service providers; and (iii) the payment terms would be determined with reference to the progressive payment method which is generally adopted in construction related projects; and (iv) the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

internal control procedures are in place to monitor the transactions under the Intelligent Services Framework Agreement as set out in the section headed “5. Internal control” below, we consider the terms of the Intelligent Services Framework Agreement are on normal commercial terms and fair and reasonable as far as the Company and the Independent Shareholders are concerned.

5. Internal control

As set out in the letter from the Board, in order to further safeguard the interests of the Shareholders as a whole, the Group will implement the following internal control measures in relation to the continuing connected transactions under the Intelligent Services Framework Agreement:

- (i) in order to ensure that the total fees charged by the Group will be no less favourable than those offered by the Group to independent customers for comparable Intelligent Services (if any), or those charged by other independent service providers in the market for comparable Intelligent Services, as the case maybe:
 - (a) the audit committee of the Board will review and approve the Pricing Proposal prepared by the Company;
 - (b) the Group will keep records of historical service fees (and the applicable gross profit margins) offered by the Group to independent customers for comparable Intelligent Services and maintain a database of the gross profit margins from at least three comparable service providers in the industry for provision of comparable Intelligent Services;
 - (c) the Group will document the price determination process for each project under the Intelligent Services Framework Agreement for subsequent reporting and review.
- (ii) the finance department of the Company will monitor the total fees received for each project under the Intelligent Services Framework Agreement monthly to ensure the total fees received will not exceed the applicable Annual Caps;
- (iii) the Group will compile a continuing connected transaction report every six months on the transactions contemplated under the Intelligent Services Framework Agreement for review by the audit committee of the Board, the report shall comprise (a) the total amount of fees (and the applicable gross profit margins) received and payment terms for each project under the Intelligent Services Framework Agreement during the reporting period; (b) fee breakdown and comparison with the rates offered to independent customers by the Group (if any), or the gross profit margins used by other independent service providers for comparable Intelligent Services, and market payment terms; and (c) whether the applicable Annual Caps have been complied with;
- (iv) the audit committee of the Board will meet at least twice a year to review the implementation of the above measures for the transactions contemplated under the Intelligent Services Framework Agreement and report to the Board;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (v) the Group will provide information and supporting documents to the independent non-executive Directors and auditors for them to conduct annual review of the continuing connected transactions of the Group;
- (vi) the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms, are in accordance with the Intelligent Services Framework Agreement, and are on terms that are fair and reasonable and in the interests of the Shareholders as a whole as required by the Listing Rules; and
- (vii) the auditors of the Company will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in any material respects, are not entered into in accordance with the Intelligent Services Framework Agreement, or have exceeded the Annual Caps as required by the Listing Rules.

In view of the above and having also considered that the above internal control measures are similar to those adopted by other Hong Kong listed companies for monitoring continuing connected transactions, we are of the view that there are adequate internal control measures to ensure that the transactions to be contemplated under the Intelligent Services Framework Agreement will comply with the relevant regulatory guidelines and the terms of the Intelligent Services Framework Agreement.

6. Annual Caps

As set out in the letter from the Board, the Group has not provided any Intelligent Services to GZYY, Yuexiu Property or their respective subsidiaries and associates prior to the Latest Practicable Date.

Set out below are the Annual Caps for the transactions contemplated under the Intelligent Services Framework Agreement for each of the three years ending 31 December 2022, 2023 and 2024:

	For the financial year ending		
	31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total fees payable to the Group under the Intelligent Services Framework Agreement	271,715	525,259	691,166

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the management of the Group and were advised that the Annual Caps projection were made following commercial discussions between the management of the Group, GZYZ and Yuexiu Property, based on (i) estimated service area, (ii) estimated property types and estimated total fees, (iii) estimated project progress; and (iv) a buffer, which are set out as follows:

(i) Estimated service area

As advised by the management of the Group, after their discussion with GZYZ and Yuexiu Property, the estimated service area is derived from (i) the existing 64 property projects of Yuexiu Property that may require the Intelligent Services provided by the Group in the next three years; and (ii) potential property projects of GZYZ and Yuexiu Property in the next three years based on their business plan after excluding the ones involving other independent property developers for which the Group has a slim chance to win the intelligent service contracts. We have reviewed those existing or potential property projects set out in the Annual Caps projection to arrive at the estimated service area, and noted that they are in line with those stated in the confirmations provided by GZYZ and Yuexiu Property.

(ii) Estimated property types and estimated total fees

As advised by the management of the Group, they are advised by GZYZ and Yuexiu Property that high-end residential property, budget residential property and high-end non-residential property are expected to account for 45%, 45% and 10% of the existing or potential property projects of GZYZ and Yuexiu Property. We have reviewed those estimated splits adopted in the Annual Caps projection and noted that they are in line with those stated in the confirmations provided by GZYZ and Yuexiu Property.

The management of the Group has estimated the total fees per sq.m. based on the pricing basis as discussed in section 4 above for each of the four main categories, being high-end residential projects, budget residential projects, high-end commercial projects and budget commercial projects. We have reviewed the Advisory Report and discussed with the Independent Advisor the approach and basis to arrive at their opinion on whether the estimated total fees are fair and reasonable. As stated in the Advisory Report, to determine the prevailing market rates of comparable Intelligent Services, the Independent Advisor has collected relevant information (site location, construction area, property type, configuration, service contract sum, etc.) on a number of comparable intelligent service projects through market research and internal data mining. Those comparable projects covered high-end and budget residential properties as well as high-end and budget non-residential properties. Based on their research, the Independent Advisor noted that estimated total fees devised by the Company fall within or even above those prevailing market rate ranges.

The Independent Advisor also collected gross profit margins of various intelligent services as disclosed by other companies listed in Hong Kong and the PRC, which are engaged in businesses similar to the Intelligent Services, in their 2021 annual reports/interim reports/annual results announcements. A total of 4 Hong Kong listed companies and 5 PRC listed companies (the “**Comparable Companies**”) have been identified by the Independent Advisor based on the aforementioned criteria by employing the Choice, a financial terminal developed by East Money Information Co., Ltd., a well-known PRC financial market intelligence service provider. We have reviewed the description of the intelligent services stated in the Comparable Companies’ latest annual

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reports/interim reports/annual results announcements and discussed with the management of the Group on the similarity between the Intelligent Services and those provided by the Comparable Companies, and consider that the intelligent services provided by those Comparable Companies are comparable to the Intelligent Services. The Comparable Companies including their respective revenue, gross profit and gross profit margin of the segment businesses similar to the Intelligent Services (the “**Similar Business**”) as extracted from their 2021 annual reports/interim reports/annual results announcements are set out below:

Company name (stock code)	Scope of services	Similar Business	Revenue of the Similar Business	Gross profit of the Similar Business	Gross profit margin of the Similar Business
<i>Hong Kong:</i>					
S-Enjoy Service Group Co., Limited (1755.HK)	Provision of property management services and value-added services, including developer-related value-added services, community-related value-added services and smart community services	Smart community services	RMB519.7 million	RMB85.9 million	16.50%
Colour Life Services Group Co., Limited (1778.HK) ¹	Provision of property management services, value-added services and engineering services	Engineering services	RMB34.1 million ²	RMB8.8 million ²	25.70% ²
Kaisa Prosperity Holdings Limited (2168.HK)	Provision of property management services, pre-delivery and consulting services, community value-added services and smart solution services	Smart solution services	RMB215.7 million	RMB74.0 million	34.30%
Jinke Smart Services Group Co., Ltd. (9666.HK)	Provision of space property management services, community value-added services, local catering services and smart living technology solutions	Smart living technology solutions	RMB99.5 million	RMB44.3 million	44.50%

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Company name (stock code)	Scope of services	Similar Business	Revenue of the Similar Business	Gross profit of the Similar Business	Gross profit margin of the Similar Business
<i>PRC:</i>					
Guangdong Anjubao Digital Technology Co., Ltd. (300155.SZ)	Research and development, production and sale of intelligent products such as building intercom system, smart home system, carpark system, surveillance system	Building intercom system ³	RMB464.2 million	RMB145.6 million	31.37%
		Smart home system ³	RMB88.2 million	RMB28.9 million	32.78%
		Carpark system and barrier advertisement ³	RMB66.8 million	RMB30.7 million	45.93%
		Surveillance system ³	RMB61.2 million	RMB9.3 million	15.26%
Xiamen DNAKE Intelligent Technology Co., Ltd. (300884.SZ)	Research and development, production and sale of intelligent products such as building intercom system and smart home system	Building intercom system ³	RMB703.3 million	RMB237.9 million	33.82%
		Smart home system ³	RMB119.4 million	RMB41.9 million	35.10%
Sunfly Intelligent Technology Co., Ltd. (300423.SZ)	Production and sale of electric equipment, LED products, intelligent products and hydrogen energy power units and parts	Intelligent products ³	RMB288.7 million	RMB62.4 million	21.62%
Shenzhen DAS IntelliTech Co., Ltd. (002421.SZ)	Research and development, production and sale of internet and peripheral products	Solution services including carpark management system, surveillance system ³	RMB2,563.5 million	RMB577.6 million	22.53%
Jiangsu Yitong High-tech Co., Ltd. (300211.SZ)	Research and development, production and sale of broadcasting equipment, intelligent surveillance system, wearable device chips and sensors	Intelligent surveillance system ³	RMB45.8 million	RMB21.1 million	45.97%
				Maximum	45.97%
				Minimum	15.26%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

1. Trading in the shares of Colour Life Services Group Co., Limited (1778.HK) have been suspended since 1 April 2022.
2. For the six months ended 30 June 2021.
3. As advised by the Independent Advisor, similar to the Company, those PRC listed Comparable Companies provide one-stop solution services in their Similar Business.

On the basis that the Intelligent Services includes (i) sales and installation services for intelligent products such as video surveillance system, access control system, carpark management system, video intercom system and smart home system; (ii) video surveillance software system development services; and (iii) the related design and consultation services, the Similar Businesses as shown in the above table are comparable to the Intelligent Services. As shown in the above table, the estimated gross profit margin of 30% adopted in the Annual Cap projection falls within the range of 15.26% - 45.97% of those of Comparable Companies' intelligent service segment, and thus we consider it to be fair and reasonable.

In addition, according to the Advisory Report, from second half of 2019 to second half of 2021, the accumulated increase in construction material costs of residential properties in Guangzhou is 16.43% with a year-on-year increase in the second half of 2021 of 5.12%. As such, considering most of the existing and potential property projects involve residential properties located in Guangzhou, the estimated total fees used in the Annual Caps projection have been built in with an annual growth factor of 5.12% in 2023-2024 to accommodate the potential increase in the Group's procurement costs, which we considered to be reasonable.

(iii) Estimated project progress

For projecting the transaction amounts for each of the three years ending 31 December 2022, 2023 and 2024, the management of the Group, based on their industry knowledge and the discussion with GZYY and Yuexiu Property, has estimated that (i) the Intelligent Services projects in relation to the aforementioned 64 property projects will kick off in 2022; (ii) half of the land bank of the current year will commence development in the same year and half in the following year; and (iii) 30%, 40% and 30% of Intelligent Services work will be completed in each of the next three years following the commencement of the Intelligent Services projects and thus the revenue derived from the provision of the Intelligent Services is expected to be recognised in the same fashion. We have reviewed the estimated project progress assumptions adopted in the Annual Caps projection and noted that they are in line with those stated in the confirmations provided by GZYY and Yuexiu Property.

(iv) A buffer

A buffer of 10% has been provided in order to accommodate any unexpected increase in the demand for the Intelligent Services from GZYY or Yuexiu Property, which falls within those adopted by other Hong Kong listed property management service providers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Having considered the above and also the internal control procedures in place to monitor the transactions under the Intelligent Services Framework Agreement as set out in the section headed “5. Internal control” above, we consider the basis for determining the Annual Caps to be fair and reasonable so far as the Independent Shareholders are concerned.

OPINION

Having taken into account the above principal factors and reasons, we consider that the terms of the Intelligent Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and ourselves recommend, the Independent Shareholders to vote in favour of the resolutions to be proposed at the General Meeting to approve the continuing connected transactions under the Intelligent Services Framework Agreement and the Annual Caps.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms. Jenny Leung is a licensed person and responsible officer of Somerley Capital Limited registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activities under the SFO and have participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

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

2. INTEREST IN SECURITIES

(A) Directors' and chief executive's interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) 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); (b) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or (c) pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(a) *The Company's associated corporation*

Long Position in the shares and underlying shares of associated corporations

Name of Director	Associated corporation	Number of shares held as personal interests	Approximate percentage of interests %
Mr. Lin Feng (<i>Note 1</i>)	Yuexiu Property	1,730,626	0.06
Mr. Zhang Jianguo (<i>Note 2</i>)	Yuexiu Property	1,622,742	0.05
Mr. Zhang Jin (<i>Note 3</i>)	Yuexiu Property	280,654	0.01

Note:

- (1) Mr. Lin Feng is interested in 1,730,626 shares, out of which 570,517 shares are owned by him as beneficial owner, 1,140,109 shares are held for him as a beneficiary of the Yuexiu Property Company Limited Share Incentive Scheme Trust for Directors and Senior Management (the "Yuexiu Property DSM Trust") and 20,000 shares are held by his spouse.
- (2) Mr. Zhang Jianguo is interested in 1,622,742 shares, out of which 843,666 shares are owned by him as beneficial owner and 779,076 shares are held for him as a beneficiary of Yuexiu Property DSM Trust.
- (3) Mr. Zhang Jin is interested in 280,654 shares, out of which 872 shares are owned by him as beneficial owner and 279,782 shares are held for him as a beneficiary of the Yuexiu Property DSM Trust.

(B) Substantial Shareholders' interests

Save as disclosed below, as at the Latest Practicable Date, none of the shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Long Position in the shares and underlying shares

Name of substantial shareholders	Number of ordinary shares held	Approximate percentage of the total number of issued shares %
GZYX	1,018,600,000 (<i>Note 1</i>)	66.92
YXE	1,018,600,000 (<i>Note 1</i>)	66.92
Yuexiu Property	1,018,600,000 (<i>Note 1</i>)	66.92
GCD China	1,018,600,000 (<i>Note 1</i>)	66.92
GZ Metro	90,359,677 (<i>Note 2</i>)	5.94
GMIF	90,359,677 (<i>Note 2</i>)	5.94

Note:

- (1) Given that (i) GCD China is wholly owned by Yuexiu Property; (ii) Yuexiu Property is indirectly owned by YXE as to approximately 39.78%; and (iii) YXE is wholly owned by GZYX, by virtue of the SFO, each of GZYX, YXE and Yuexiu Property is deemed to be interested in the Shares held by GCD China.
- (2) Given that GMIF is directly wholly owned by GZ Metro, by virtue of the SFO, GZ Metro is deemed to be interested in the Shares held by GMIF.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any other service agreements proposed which would not expire or to be determinable by the member of the Group within one year without payment of compensation (other than statutory compensation).

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

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date and which was significant in relation to the business of the Group; and none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there have been no material adverse changes in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Company were made up to, up to and including the Latest Practicable Date.

7. EXPERTS AND CONSENTS

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

Name	Qualification
Somerley Capital Limited	a licenced corporation to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO

As at the Latest Practicable Date, the above expert:

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

8. MISCELLANEOUS

- (1) The registered office and principal place of business of the Company is at 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong.
- (2) The share registrar of the Company is Tricor Investors Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (3) The secretary of the Company is Mr. Yu Tat Fung (余達峯) who is admitted as a solicitor of the High Court of Hong Kong.
- (4) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at (www.hkexnews.hk) and the website of the Company (www.yuexiuservices.com) during the period from the date of this circular up to and including the date of the General Meeting:

- (1) the Intelligent Services Framework Agreement;
- (2) the letter from the Independent Financial Adviser, the text of which is set out on pages 18 to 30 of this circular; and
- (3) the written consent referred to in the section headed "7. Experts and consents" in this appendix.

NOTICE OF GENERAL MEETING



(Incorporated in Hong Kong with limited liability)
(Stock Code: 6626)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of shareholders of Yuexiu Services Group Limited (the “**Company**”) will be held at Island Ballroom C (Level 5), Island Shangri-La, Hong Kong, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 29 June 2022 at 10 a.m. (the “**General Meeting**”), to consider and, if thought fit, pass, with or without amendments, the following resolutions below as ordinary resolutions.

Words and expressions that are not expressly defined in this notice of General Meeting shall bear the same meaning as that defined in the circular to shareholders of the Company dated 13 June 2022.

ORDINARY RESOLUTION

1. “THAT:

- (a) the transactions contemplated under the Intelligent Services Framework Agreement, copy of which have been produced to the meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, and the relevant annual cap for the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) all acts done and things executed and all such documents or deeds entered into in connection with the implementation of the Intelligent Services Framework Agreement and the transactions contemplated thereunder and the annual cap for the transactions contemplated thereunder be and are hereby ratified, confirmed and approved, and any one Director be and is hereby authorised to do all such acts and things and execute all such documents or deeds and to take all steps as the Director may in his/her discretion consider necessary, desirable or expedient in connection with the implementation of the Intelligent Services Framework Agreement or the transactions contemplated thereunder and/or the annual cap for the transactions contemplated thereunder and to make and agree to such variations, amendments or waivers of matters relating thereto, as are, in the opinion of the Director, necessary or desirable.”

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

Hong Kong, 13 June 2022

NOTICE OF GENERAL MEETING

Registered office:

26/F, Yue Xiu Building
160 Lockhart Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the General Meeting is entitled to appoint more than one proxy to attend and vote in his stead.
2. In order to be valid, form(s) of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the office of the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for the holding of the General Meeting or any adjournment thereof.
3. The Register of Members of the Company will be closed from Monday, 27 June 2022 to Wednesday, 29 June 2022, both days inclusive, for the purpose of determining Shareholders' entitlement to attend and vote at the General Meeting, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the General Meeting, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4: 30 p.m. on Friday, 24 June 2022.
4. Where there are joint registered holders of any share, any one of such persons may vote at the General Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but should there be more than one of such joint holders present at the General Meeting personally or by proxy, 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.
5. Voting of the ordinary resolutions set out in this notice will be by way of poll.
6. Reference to times and dates in this notice are to Hong Kong times and dates.
7. In consideration of the continuing risk posed by the coronavirus disease (COVID-19) and to manage the potential health risks of persons attending the General Meeting, the Company will implement certain precautionary measures at the General Meeting. For further details, please refer to the circular of the Company dated 13 June 2022.

As at the date of this notice, the Executive Directors are Mr. Zhang Jianguo, Mr. Mao Liangmin and Mr. Zhang Jin; the Non-executive Directors are Mr. Lin Feng, Mr. Yao Xiaosheng and Mr. Yang Zhaoxuan; and the Independent Non-executive Directors are Mr. Hung Shing Ming, Ms. Hui Lai Kwan and Mr. Chan Yuen Hang Kenneth.