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TIMES NEIGHBORHOOD HOLDINGS LIMITED

時代鄰里控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9928)

CONTINUING CONNECTED TRANSACTIONS

THE 2020 ASIACITI AGREEMENT

On 4 December 2020, the Company entered into the 2020 Asiaciti Agreement with Asiaciti Enterprises to revise the proposed annual cap for the year ending 31 December 2020 under the 2019 Asiaciti Agreement.

THE 2020 TIMES CHINA AGREEMENT

On 4 December 2020, the Company entered into the 2020 Times China Agreement with Times China to revise the proposed annual cap for the year ending 31 December 2020 under the 2019 Times China Agreement.

THE 2021 AGREEMENT

On 4 December 2020, the Company entered into the 2021 Agreement with Times China in relation to the provision of the Services by the Group to the Times China Group and its associated companies.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is owned as to 46.85% by Asiaciti Enterprises, Asiaciti Enterprises is therefore a controlling shareholder of the Company, and a connected person of the Company under Chapter 14A of the Listing Rules. Times China is owned as to 61.54% by Asiaciti Enterprises. Times China is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement and the 2021 Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The 2020 Asiaciti Agreement

As all of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the 2020 Asiaciti Agreement exceed 5%, the transactions contemplated under the 2020 Asiaciti Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2020 Times China Agreement

As certain of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the 2020 Times China Agreement exceed 5%, the transactions contemplated under the 2020 Times China Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2021 Agreement

As all of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the 2021 Agreement exceed 5%, the transactions contemplated under the 2021 Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve each of the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save for Mr. Bai, Mr. Li, Asiatic Enterprises and its associates, none of the other Shareholders has a material interest in the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps) and is required to abstain from voting on the relevant resolution in the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders in relation to each of the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding each of the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps).

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) the principal terms of each of the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding each of the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps); (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders regarding each of the 2020 Asiatic Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps); and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or around 7 December 2020.

THE 2020 ASIACITI AGREEMENT

On 4 December 2020, the Company entered into the 2020 Asiaciti Agreement with Asiaciti Enterprises to revise the proposed annual cap for the year ending 31 December 2020 under the 2019 Asiaciti Agreement in relation to the provision of certain property management services by the Group to Asiaciti Enterprises' associates (excluding the Group) including but not limited to (i) property management services for the properties owned or used by Asiaciti Enterprises' associates (excluding the Group), (ii) pre-delivery services including (a) construction sites management services; and (b) display units and property sales venues management services, (iii) car parking lots management and leasing services, and (iv) preliminary planning and design consultancy services at the pre-delivery stage (the "**Property Management and Related Services**").

Principal terms

The principal terms of the 2020 Asiaciti Agreement are set out below.

Term

The 2020 Asiaciti Agreement shall become effective on the Effective Date conditional upon the Shareholders having approved the relevant ordinary resolution at the EGM. The term shall commence from 1 January 2020 until 31 December 2020. The 2019 Asiaciti Agreement will be terminated and replaced with the 2020 Asiaciti Agreement on the Effective Date.

Pricing

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

Payment

The credit term for the fee payable by Asiaciti Enterprises' associates (excluding the Group) in relation to the relevant services is 30 days, in line with the credit term provided to Independent Third Parties.

Historical transaction amounts

The historical transaction amounts for the provision of the relevant services for the three years ended 31 December 2019 and the ten months ended 31 October 2020 amounted to RMB122,760,000, RMB222,223,000, RMB305,039,000 and RMB392,550,000, respectively.

Set out below is the breakdown of such historical amounts:

	For the year ended 31 December			For the ten months ended 31 October
	2017	2018	2019	2020
	<i>(RMB'000)</i>			
Value-added services to non-property owners	95,740	187,552	247,683	326,790
– Construction site management services	20,638	41,242	44,395	32,352
– Sales assistance services	64,615	114,480	178,794	250,094
– Pre-delivery cleaning services	10,487	31,830	22,111	31,542
– Preliminary planning and design consultancy services at pre-delivery stage	–	–	2,382	12,802
Property management services	23,983	30,569	53,288	60,760
Car parking lots leasing management services	3,037	4,102	4,068	5,000
Total	122,760	222,223	305,039	392,550

Existing annual caps for the 2019 Asiaciti Agreement

Pursuant to the 2019 Asiaciti Agreement, the annual caps for the fees to be paid by Asiaciti Enterprises and its associates (excluding the Group) for the year ended 31 December 2019 was RMB316.2 million and for each of the two years ending 31 December 2021 will not exceed RMB435.1 million and RMB650.0 million, respectively.

The Company will ensure that the actual transaction amounts for the relevant services up to the date of the EGM will not exceed the existing annual cap under the 2019 Asiaciti Agreement for the year ending 31 December 2020.

Revised annual cap for the 2020 Asiaciti Agreement

Pursuant to the 2020 Asiaciti Agreement, the revised annual cap for the fees to be paid by Asiaciti Enterprises and its associates (excluding the Group) for the year ending 31 December 2020 will not exceed RMB545,000,000.

The revised annual cap was determined after having taken into account of the following factors:

- (a) the historical transaction amounts of the Property Management and Related Services for the year ended 31 December 2019, the six months ended 30 June 2020 and the ten months ended 31 October 2020;
- (b) the estimated transaction amounts of the Property Management and Related Services for the year ending 31 December 2020, details are set out below:

	For the year ending 31 December 2020 (RMB'000)
Value-added services to non-property owners	466,000
– Construction site management services	48,000
– Sales assistance services	332,000
– Pre-delivery cleaning services	68,000
– Preliminary planning and design consultancy services at pre-delivery stage	<u>18,000</u>
Property management services	71,000
Car parking lots leasing management services	<u>8,000</u>
Total	<u><u>545,000</u></u>

- (c) the historical amounts of the Property Management and Related Services (other than sales agent services under sales assistance services and interior design services under sales assistance services) amounted to approximately RMB198.4 million for the first half of 2020. The transaction amount of the second half is greater than it of the first half for each of the two years ending 31 December 2020. The Directors estimated the annualized amount for the first half of 2020 represents 42% of the amount for the year 2020, and the total amount of the Property Management and Related Services (other than sales agent services under sales assistance services and interior design services under sales assistance services) amounted to approximately RMB472.3 million for the year of 2020.
- (d) the estimated demand of the sales agent services under sales assistance services for the year ending 31 December 2020, was determined with reference to (i) estimated value of properties/car parking lots to be sold; (ii) estimated unit of properties/car parking lots to be sold; and (iii) estimated commission rates. The Directors estimated the transaction amount for such services is around RMB28.5 million and RMB32.1 million for property and car parking lots, respectively, for the year of 2020; and

- (e) the actual amounts of interior design services under sales assistance services for the ten months ended 31 October 2020. The estimated demand of the interior design services for the year ending 31 December 2020, which is based on value of contracts signed (around RMB11.5 million).

Based on the above factors, the Company considered that the proposed annual cap for the year ending 31 December 2020 for the relevant services to be fair and reasonable.

THE 2020 TIMES CHINA AGREEMENT

On 4 December 2020, the Company entered into the 2020 Times China Agreement with Times China to revise the proposed annual cap for the year ending 31 December 2020 under the 2019 Times China Agreement in relation to the Group's (a) sale of elevators to the Times China Group and provide accessorial installation, maintenance and repair services of such elevators, (b) instalment of internet services, and (c) provision of intelligent engineering services, including but not limited to installation and maintenance of access control system, intercom system, surveillance system and broadband network facilities and consultation services in relation to such installation and maintenance for properties developed by the Times China Group before the delivery of such properties to property owners (the "**Equipment Sales, Installation and Maintenance Services**").

Principal terms

The principal terms of the 2020 Times China Agreement are set out below.

Term

The 2020 Times China Agreement shall become effective on the Effective Date conditional upon the Shareholders having approved the relevant ordinary resolution at the EGM. The term shall commence from 1 January 2020 until 31 December 2020. The 2019 Times China Agreement will be terminated and replaced with the 2020 Times China Agreement on the Effective Date.

Pricing

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

Payment

The credit term for the fee payable by the Times China Group in relation to the relevant services is 30 days, in line with the credit term provided to Independent Third Parties.

Historical transaction amounts

The historical transaction amounts for the provision of the relevant services for the three years ended 31 December 2019 and the ten months ended 31 October 2020 amounted to RMB4,738,000, RMB16,164,000, RMB26,771,000 and RMB19,590,000, respectively. Set out below is the breakdown of such historical amounts:

	For the year ended 31 December			For the ten months ended 31 October
	2017	2018	2019	2020
		(RMB'000)		
Sale, installation and maintenance of elevators	233	9,681	25,333	2,355
Instalment of internet services	–	789	591	8,000
Intelligent engineering services	4,505	5,694	847	9,235
Total	4,738	16,164	26,771	19,590

Existing annual caps for the 2019 Times China Agreement

Pursuant to the 2019 Times China Agreement, the annual caps for the fees to be paid by the Times China Group for the year ended 31 December 2019 was RMB30.7 million and for each of the two years ending 31 December 2021 will not exceed RMB66.2 million and RMB95.7 million, respectively.

The Company will ensure that the actual transaction amounts for the relevant services up to the date of the EGM will not exceed the existing annual cap under the 2019 Times China Agreement for the year ending 31 December 2020.

Revised annual cap for the 2020 Times China Agreement

Pursuant to the 2020 Times China Agreement, the revised annual cap for the fees to be paid by the Times China Group for the year ending 31 December 2020 will not exceed RMB85,000,000.

The revised proposed annual cap was determined after having taken into account of the following factors:

- (a) the historical transaction amounts for the year ended 31 December 2019 and the ten months ended 31 October 2020;

- (b) the estimated transaction amounts of the Equipment Sales, Installation and Maintenance Services for the year ending 31 December 2020, details are set out below:

	For the year ending 31 December 2020 (RMB'000)
Sale, installation and maintenance of elevators	40,000
Instalment of internet services	11,000
Intelligent engineering services	<u>34,000</u>
Total	<u><u>85,000</u></u>

- (c) in respect of the estimated amount of sale, installation and maintenance of elevators for the year ending 31 December 2020, (i) the transaction amount of such services for the ten months ended 31 October 2020, which was around RMB2.4 million; and (ii) the value of contracts signed/estimated to be signed during November 2020 and December 2020, which expects around RMB37.6 million;
- (d) the estimated demand of the instalment of internet services for the year ending 31 December 2020, which was determined with reference to (i) the historical transactions amount for the ten months ended 31 October 2020, which was around RMB8 million, and (ii) currently on-hand contract values and estimated contract values for November 2020 and December 2020 are in total around RMB2.7 million; and
- (e) the estimated amount of intelligent engineering services for the year ending 31 December 2020, which was determined with reference to (i) estimated software development under intelligent engineering services for the year ending 31 December 2020, which expects to be around RMB10 million; (ii) the transactions amounts of the intelligent engineering services (excluding the software development services) for the ten months ended 31 October 2020, which was around RMB6 million; and (iii) the estimated transactions amounts of the intelligent engineering services (excluding the software development services) for November 2020, which is based on value of contracts signed/estimated to be signed during November 2020 and December 2020, which is around RMB18 million.

Based on the above factors, the Company considered the proposed annual cap for the year ending 31 December 2020 for the relevant services to be fair and reasonable.

THE 2021 AGREEMENT

On 4 December 2020, the Company entered into the 2021 Agreement with Times China in relation to the provision of the Services by the Group to the Times China Group and its associated companies.

Principal terms

The principal terms of the 2021 Agreement are set out below.

Subject matters

The Group agreed to provide property management and related services, including Property Management and Related Services and Equipment Sales, Installation and Maintenance Services to the Times China Group and its associated companies.

Term

The 2021 Agreement shall become effective conditional upon the Shareholders' approval for the relevant ordinary resolution at the EGM in respect of the 2021 Agreement. The term shall commence from 1 January 2021 until 31 December 2021.

Pricing

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

Payment

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

Proposed annual cap

The annual cap for the fee to be paid by the Times China Group and its associated companies for the year ending 31 December 2021 will not exceed RMB830,000,000.

The above proposed annual cap was determined after having taken into account of the following factors:

- (a) the estimated transactions amounts of the (i) Property Management and Related Services; and (ii) Equipment Sales, Installation and Maintenance Services for the year ending 31 December 2020, details of which were set out above;

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

	For the year ending 31 December 2021 (RMB'000)
Value-added services to non-property owners (including construction site management services, sales assistance services, pre-delivery cleaning services and preliminary planning and design consultancy services at pre-delivery stage)	622,000
Property management services	94,000
Car parking lots leasing management services	11,000
Sale, installation and maintenance of elevators	44,000
Instalment of internet services	14,000
Intelligent engineering services	45,000
Total	830,000

(c) the Group's performance and the transactions amounts of the Services in recent years.

INTERNAL CONTROL

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

- (a) the finance department will regularly examine the relevant pricing terms by collecting the relevant market information, periodically review and compare the historical and current quotations to Independent Third Parties providing similar services to ensure that the terms of such transactions are fair and reasonable and no more favourable to the connected persons than those charged to Independent Third Parties;
- (b) the finance department will take proper records of the actual transaction amounts and will review the aggregate transaction amounts on a monthly basis. To ensure that the annual caps will not be exceeded, the finance department will alert the management team the aggregate transaction amounts on a continuing basis;
- (c) the Group will implement internal checks to ensure that the procedures of the connected transactions will conform with the internal control system of the Group, the annual caps will be complied with and that pricing is consistent with the principal terms and conditions of each of the 2020 Asiatic Agreement, the 2020 Times China Agreement and the 2021 Agreement by random inspection of the pricing terms, payment arrangements and actual transaction amounts;
- (d) the external auditors of the Company will conduct an annual review of the pricing and the transaction volume vis-à-vis the annual caps under each of the 2020 Asiatic Agreement, the 2020 Times China Agreement and the 2021 Agreement;

- (e) the audit committee of the Company will review the transactions under each of the 2020 Asiatic Agreement, the 2020 Times China Agreement and the 2021 Agreement and recommend any proposals to improve the internal control measures; and
- (f) the independent non-executive Directors will annually review the implementation and enforcement of the requirements and the internal control measures imposed on each of the 2020 Asiatic Agreement, the 2020 Times China Agreement and the 2021 Agreement.

REASONS AND BENEFITS OF THE 2020 ASIATIC AGREEMENT, THE 2020 TIMES CHINA AGREEMENT AND THE 2021 AGREEMENT

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

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

Based on transaction amounts recorded for the ten months ended 31 October 2020 under the 2019 Times China Agreement and the 2019 Asiatic Agreement, and the estimated revenue to be recognized based on the existing signed contracts for the year ending 31 December 2020, the Company anticipates that the increased demand of the Times China Group and its associated companies for value-added services to non-property owners and instalment of internet services to be provided by the Group, which cannot be foreseen at the time of the Company's IPO, will result in more transactions for the two years ending 31 December 2021.

On the above basis, the original annual caps applied during the Company's IPO for the two years ending 31 December 2021 will need adjustments to accommodate the Company's business growth. Therefore, the Company decided to renew the proposed annual cap for the year ending 31 December 2020 under the 2019 Asiatic Agreement and the 2019 Times China Agreement by entering into the 2020 Asiatic Agreement and the 2020 Times China Agreement, respectively.

For the year ending 31 December 2021 onwards, the Group has reviewed the historical transactions with the Times China Group and found that all transactions were actually engaged with the subsidiaries and associated companies of Times China. Therefore, the Company considers that it is no longer necessary to enter into an agreement with Asiatic Enterprises. The new grouping of the Services under an agreement with Times China would also enable the Group to perform the annual audit or internal control checking more effectively.

The Group has long-standing business relationship with the Times China Group and its associated companies. The Group is able to generate a stable income stream from such reliable customers for the provision of the Services under the 2021 Agreement. Given that the Group will ensure that the terms of such transactions will be fair and reasonable and no more favourable to the connected persons than those provided to Independent Third Parties, the Directors believe that the Group will be able to benefit from the entering into of the 2021 Agreement.

The Directors (excluding the independent non-executive Directors who will express their views after considering the advice from Gram Capital, and excluding Mr. Bai and Mr. Li) are of the view that the 2020 Asiaciti Agreement, the 2020 Times China Agreement and the 2021 Agreement were entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Shareholders as a whole.

As at the date of this announcement, Mr. Bai holds approximately 2.08% of the total issued shares of the Company and approximately 2.32% of the total issued shares of Times China; and Mr. Li holds approximately 0.12% of the total issued shares of the Company and approximately 0.15% of the total issued shares of Times China. Mr. Bai and Mr. Li have abstained from voting on the relevant Board resolutions for approving the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company is owned as to 46.85% by Asiaciti Enterprises, Asiaciti Enterprises is therefore a controlling shareholder of the Company, and a connected person of the Company under Chapter 14A of the Listing Rules. Times China is owned as to 61.54% by Asiaciti Enterprises. Times China is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement and the 2021 Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The 2020 Asiaciti Agreement

As all of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the 2020 Asiaciti Agreement exceed 5%, the transactions contemplated under the 2020 Asiaciti Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2020 Times China Agreement

As certain of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the 2020 Times China Agreement exceed 5%, the transactions contemplated under the 2020 Times China Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2021 Agreement

As all of the applicable percentage ratios (excluding the profits ratio) under the Listing Rules in respect of the annual cap for transactions contemplated under the 2021 Agreement exceed 5%, the transactions contemplated under the 2021 Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

(1) The Company and the Group

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

(2) Asiaciti Enterprises

Asiaciti Enterprises is an investment holding company and is owned as to 60% by Renowned Brand, which is in turn wholly owned by Mr. Shum; and as to 40% by East Profit, which is in turn wholly owned by Ms. Li. As at the date of this announcement, Asiaciti Enterprises beneficially owns 461,793,077 shares of the Company, representing approximately 46.85% of the total issued shares of the Company.

(3) Times China

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

GENERAL

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps). Save for Mr. Bai who is interested in approximately 2.08% of the total issued shares of the Company and approximately 2.32% of the total issued shares of Times China, Mr. Li who is interested in approximately 0.12% of the total issued shares of the Company and approximately 0.15% of the total issued shares of Times China, Asiaciti Enterprises which is interested in approximately 46.85% of the total issued shares of the Company and is interested in approximately 61.54% of the total issued shares of Times China and their associates, none of the other Shareholders has a material interest in the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps) and is required to abstain from voting on the relevant resolution in the EGM.

The Independent Board Committee has been established to advise the Independent Shareholders in relation to each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps).

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps).

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) the principal terms of each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders regarding each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps); (iii) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders regarding each of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder (including the proposed annual caps); and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or around 7 December 2020.

DEFINITIONS

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

“2019 Asiaciti Agreement”	the agreement dated 3 December 2019 entered into between the Company and Asiaciti Enterprises in relation to the provision of certain services by the Group to Asiaciti Enterprises’ associates (excluding the Group)
“2019 Times China Agreement”	the agreement dated 3 December 2019 entered into between the Company and Times China in relation to the provision of certain services by the Group to the Times China Group
“2020 Asiaciti Agreement”	the agreement dated 4 December 2020 entered into between the Company and Asiaciti Enterprises in relation to the revision of annual cap for the year ending 31 December 2020 under the 2019 Asiaciti Agreement
“2020 Times China Agreement”	the agreement dated 4 December 2020 entered into between the Company and Times China in relation to the revision of annual cap for the year ending 31 December 2020 under the 2019 Times China Agreement
“2021 Agreement”	the agreement dated 4 December 2020 entered into between the Company and Times China in relation to the provision of the Services by the Group to the Times China Group and its associated companies for the year ending 31 December 2021
“Asiaciti Enterprises”	Asiaciti Enterprises Ltd. (豐亞企業有限公司), a company incorporated in the British Virgin Islands with limited liability
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Company

“Company”	Times Neighborhood Holdings Limited (時代鄰里控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 9928)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“East Profit”	East Profit Management Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Ms. Li
“Effective Date”	the date of approval by the Independent Shareholders in respect of the 2020 Asiaciti Agreement, the 2020 Times China Agreement and the 2021 Agreement at the EGM
“EGM”	the extraordinary general meeting of the Company proposed to be convened for the approval of the 2020 Asiaciti Agreement, the 2020 Times China Agreement, the 2021 Agreement and the transactions contemplated thereunder
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the 2020 Asiaciti Agreement, the 2020 Times China Agreement and the 2021 Agreement (including the proposed annual caps)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors
“Independent Shareholders”	the Shareholders other than Mr. Bai, Mr. Li, Asiaciti Enterprises and its associates
“Independent Third Parties”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not connected with the Company or any of its connected persons
“IPO”	initial public offering
“Listing”	the listing of ordinary shares of the Company on the main board of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Bai”	Mr. Bai Xihong (白錫洪), a non-executive Director
“Mr. Li”	Mr. Li Qiang (李強), a non-executive Director
“Mr. Shum”	Mr. Shum Chiu Hung, the ultimate controlling shareholder of the Company
“Ms. Li”	Ms. Li Yiping, spouse of Mr. Shum
“PRC”	the People’s Republic of China
“Renowned Brand”	Renowned Brand Investments Limited, a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Shum
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	(i) value-added services to non-property owners (including construction site management services, sales assistance services, pre-delivery cleaning services and preliminary planning and design consultancy services at pre-delivery stage); (ii) property management services; (iii) car parking lots leasing management services; (iv) sale, installation and maintenance of elevators; (v) instalment of internet services; and (vi) intelligent engineering services
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Times China”	Times China Holdings Limited (時代中國控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1233)
“Times China Group”	Times China and its subsidiaries
“%”	per cent.

By order of the Board
Times Neighborhood Holdings Limited
Wang Meng
Executive Director

Hong Kong, 4 December 2020

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