

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



信基沙溪集团股份有限公司
XINJI SHAXI GROUP CO., LTD

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3603)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE SUBLEASE AGREEMENT**

THE SUBLEASE AGREEMENT

On 23 December 2021 (after trading hours of the Stock Exchange), Xinji Yuzheng, an indirect wholly-owned subsidiary of the Company, and Longmei Dongman entered into the Sublease Agreement pursuant to which Xinji Yuzheng agreed to sublease the Properties from Longmei Dongman for a term of approximately 14.4 years commencing from 11 January 2022 and expiring on 31 May 2036 (both days inclusive) at the Consideration of RMB153,791,000.

SUB-SUBLEASE AGREEMENT

On 23 December 2021 (after trading hours of the Stock Exchange), Xinji Yuzheng and Bangshe Gongyu Guangzhou entered into the Sub-Sublease Agreement pursuant to which Xinji Yuzheng agreed to sub-sublease the Properties to Bangshe Gongyu Guangzhou for a term of 10 years commencing from 11 January 2022 and expiring on 10 January 2032 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 “Leases”, the Company will recognise the unaudited value of the right-of-use assets on its consolidated statement of financial position in connection with the subleasing of the Properties under the Sublease Agreement. Accordingly, the transaction under the Sublease Agreement will be regarded as acquisition of asset by Xinji Yuzheng for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated value of the right-of-use assets under the Sublease Agreement are more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 28 December 2011, Longmei Village Economic Cooperation and Longmei Dongman entered into the cooperation agreement (as amended by the supplemental agreements dated 15 April 2013, 15 October 2015 and 17 April 2017) in respect of the development of certain parcels of land with a total area of 65,375 sq.m. located in Panyu District, Guangzhou City, Guangdong Province, the PRC and the construction of certain properties thereon, of which the Properties form part. Construction of the Properties were completed in December 2016. On 17 April 2017, Longmei Village Economic Cooperation as landlord and Longmei Dongman as tenant entered into the third supplemental agreement to the said cooperation agreement pursuant to which Longmei Village Economic Cooperation agreed to lease the Properties to Longmei Dongman for a term of 20 years commencing from 1 June 2016 and ending on 31 May 2036.

On 28 December 2017, Longmei Dongman and Bangshe Gongyu entered into the 2017 Agreement in respect of the subleasing of the Properties by Longmei Dongman to Bangshe Gongyu for the period commencing from 28 December 2017 and expiring on 31 May 2036. On 26 June 2018, Longmei Dongman, Bangshe Gongyu and Bangshe Gongyu Guangzhou entered into the 2018 Agreement pursuant to which Bangshe Gongyu assigned all its rights and obligations under the 2017 Agreement to Bangshe Gongyu Guangzhou. The 2018 Agreement was terminated with effect from 10 January 2022 pursuant to the Termination Agreement entered into between Longmei Dongman and Bangshe Gongyu Guangzhou.

On 23 December 2021 (after trading hours of the Stock Exchange), Xinji Yuzheng, an indirect wholly-owned subsidiary of the Company, and Longmei Dongman entered into the Sublease Agreement pursuant to which Xinji Yuzheng agreed to sublease the Properties from Longmei Dongman for a term of approximately 14.4 years commencing from 11 January 2022 and expiring on 31 May 2036 (both days inclusive) at the Consideration of RMB153,791,000.

On 23 December 2021 (after trading hours of the Stock Exchange), Xinji Yuzheng and Bangshe Gongyu Guangzhou entered into the Sub-Sublease Agreement pursuant to which Xinji Yuzheng agreed to sub-sublease the Properties to Bangshe Gongyu Guangzhou for a term of 10 years commencing from 11 January 2022 and expiring on 10 January 2032 (both days inclusive). Details of the Sublease Agreement and Sub-Sublease Agreement are set out below:

THE SUBLEASE AGREEMENT

- Date : 23 December 2021 (after trading hours of the Stock Exchange)
- Parties : 廣州龍美動漫科技有限公司 (Guangzhou Longmei Dongman Technology Co., Ltd*), as sublandlord
廣州信基譽正商業運營管理有限公司 (Guangzhou Xinji Yuzheng Commerce Operation Management Co., Ltd*), as subtenant
- Properties : 中國廣東省廣州市番禺區番禺大道龍美村信基龍美國際動漫產業園C區C1及C2大廈 (Building C1 and C2, Zone C, Xinji Longmei International Animation Industrial Park, Longmei Village, Panyu Avenue, Panyu District, Guangzhou City, Guangdong Province, the PRC*) together with 237 underground car parking spaces.
- Lettable area : Approximately 34,394 sq.m. (exclusive of 237 underground car parking spaces).
- Term : Approximately 14.4 years, commencing from 11 January 2022 and expiring on 31 May 2036 (both days inclusive).
- Usage : Operation of long-term rental apartments, hotels and ancillary business services.
- Consideration : RMB153,791,000, being the total consideration under the Sublease Agreement, of which (i) RMB146,467,619 shall be payable by Xinji Yuzheng to Longmei Dongman in cash within 5 Business Days upon fulfilment or satisfaction of the conditions precedent under the Sublease Agreement; and (ii) the remaining balance of the Consideration of RMB7,323,381, being the total amount of the relevant PRC value-added tax, shall be payable by Xinji Yuzheng to Longmei Dongman in cash by annual instalments (based on the actual amount of PRC value-added tax charged for the relevant year) within 10 Business Days after Xinji Yuzheng receives the relevant PRC value-added tax invoice from Longmei Dongman.
- Right to sublet : Xinji Yuzheng is entitled to sublet the Properties in whole or in part to any third party.
- Priority to renew : After the expiry of the Sublease Agreement, Xinji Yuzheng shall have priority to renew the Sublease Agreement based on terms and conditions that are in line with the prevailing market conditions to be offered by Longmei Dongman to other third parties.

Conditions precedent : Completion of the transactions contemplated under the Sublease Agreement is subject to the fulfillment or satisfaction of the following conditions:

- (a) all necessary consents, licences and approvals required to be obtained on the part of the Longmei Dongman in respect of the Sublease Agreement, the Letter of Guarantee and the respective transactions contemplated thereunder having been obtained and remain in full force and effect;
- (b) all necessary consents, licences and approvals required to be obtained on the part of Xinji Yuzheng in respect of the Sublease Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (c) Xinji Yuzheng having obtained the Valuation Report (in the form and substance satisfactory to Xinji Yuzheng) from the Independent Valuer with the valuation of the right-of-use assets under the Sublease Agreement as at 15 December 2021 under the discounted cash flow approach prepared by the Independent Valuer being not less than RMB153,791,000;
- (d) the Termination Agreement having been entered into between Longmei Dongman and Bangshe Gongyu;
- (e) the Letter of Guarantee having been executed by Longmei Dongman in favour of Xinji Yuzheng;
- (f) the Sub-Sublease Agreement having become unconditional (other than the condition for the Sublease Agreement to become unconditional); and
- (g) the representations and warranties given by Longmei Dongman remaining true, accurate and complete in all respects.

Xinji Yuzheng may at any time waive by notice in writing to Longmei Dongman the condition (g) above. Save for condition (g) above, none of the conditions above are capable of being waived. In the event the conditions above are not fulfilled (or as the case may be, waived) by 31 December 2021 (or such later date as Longmei Dongman and Xinji Yuzheng may agree in writing), all rights, obligations and liabilities of Longmei Dongman and Xinji Yuzheng in relation to the Sublease Agreement shall cease and terminate and neither parties thereto shall have any claim against the others in respect of the Sublease Agreement save for any antecedent breach and/or any rights or obligations which may have accrued under the Sublease Agreement prior to such termination.

As at the date of this announcement, all the conditions above have been fulfilled or satisfied.

SUB-SUBLEASE AGREEMENT

Date	:	23 December 2021 (after trading hours of the Stock Exchange)
Parties	:	廣州信基譽正商業運營管理有限公司 (Guangzhou Xinji Yuzheng Commerce Operation Management Co., Ltd*), as sub-landlord 北京邦舍公寓管理有限公司廣州分公司 (Beijing Bangshe Gongyu Management Co., Ltd. Guangzhou Branch*), as sub-tenant
Properties	:	中國廣東省廣州市番禺區番禺大道龍美村信基龍美國際動漫產業園C區C1及C2大廈 (Building C1 and C2, Zone C, Xinji Longmei International Animation Industrial Park, Longmei Village, Panyu Avenue, Panyu District, Guangzhou City, Guangdong Province, the PRC*) together with 237 underground car parking spaces.
Lettable area	:	Approximately 34,394 sq.m. (exclusive of 237 underground car parking spaces).
Term	:	A term of 10 years commencing from 11 January 2022 and expiring on 10 January 2032 (both days inclusive).
Usage	:	Operation of long-term rental apartments, hotels and ancillary business services.

- Monthly rental for the Premises : RMB958,216.84 per month (subject to rental increment of 4% every other year), which shall be payable in advance by Bangshe Gongyu Guangzhou to Xinji Yuzheng on an annual basis before 15 January of each year during the term of the Sub-Sublease Agreement.
- Monthly rental for the Car Park : RMB75,928.32 per month (subject to rental increment of 4% every other year), which shall be payable in advance by Bangshe Gongyu Guangzhou to Xinji Yuzheng on a monthly basis before the 10th day of each month during the term of the Sub-Sublease Agreement.
- Monthly management fee : RMB343,940 per month (subject to rental increment of 4% every other year), which shall be payable in advance by Bangshe Gongyu Guangzhou to Xinji Yuzheng on an annual basis before 15 January of each year during the term of the Sub-Sublease Agreement.
- Rent free period : Bangshe Gongyu Guangzhou shall be entitled to a rent-free period of three months for each of 2022 and 2023 in respect of the monthly rental for the Premises and the Car Park as well as the monthly management fee.
- Deposit : RMB3,611,370, being the rental deposit payable by Bangshe Gongyu Guangzhou to Xinji Yuzheng under the Sub-Sublease Agreement.

Xinji Yuzheng and Bangshe Gongyu Guangzhou agreed that Bangshe Gongyu Guangzhou shall be deemed to have paid the relevant rental deposit to Xinji Yuzheng by way of Longmei Dongman transferring to Xinji Yuzheng the Deposit previously paid by Bangshe Gongyu Guangzhou to Longmei Dongman pursuant to the 2018 Agreement.

Upon the expiry or early termination of the Sub-Sublease Agreement, Xinji Yuzheng shall return the Deposit (without interest) to Bangshe Gongyu Guangzhou within 15 Business Days after (i) the Properties having been returned by Bangshe Gongyu Guangzhou to Xinji Yuzheng; and (ii) all outstanding payments under the Sub-Sublease Agreement having been settled by Bangshe Gongyu Guangzhou.

- Guarantee : Pursuant to the Letter of Guarantee, Longmei Dongman has given a guarantee in favour of Xinji Yuzheng pursuant to which Longmei Dongman agreed to guarantee that the actual amount of annual or total revenue to be received by Xinji Yuzheng in respect of the sub-subleasing of the Properties to Bangshe Gongyu Guangzhou or any other third party will not be less than the amount of annual or total revenue that Xinji Yuzheng is entitled under the Sub-Sublease Agreement.

Priority to renew : After the expiry of the Sub-Sublease Agreement, Bangshe Gongyu Guangzhou shall have priority to renew the Sub-Sublease Agreement based on terms and conditions that are in line with the prevailing market conditions to be offered by Xinji Yuzheng to other third parties.

Conditions precedent : Completion of the transactions contemplated under the Sub-Sublease Agreement is subject to the fulfillment or satisfaction of the following conditions:

- (a) all necessary consents, licences and approvals required to be obtained on the part of the Xinji Yuzheng in respect of the Sub-Sublease Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (b) all necessary consents, licences and approvals required to be obtained on the part of the Bangshe Gongyu Guangzhou in respect of the Sub-Sublease Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect; and
- (c) the Sublease Agreement having become unconditional (other than the condition for the Sub-Sublease Agreement to become unconditional).

None of the conditions above are capable of being waived. In the event the conditions above are not fulfilled by 31 December 2021 (or such later date as Xinji Yuzheng and Bangshe Gongyu Guangzhou may agree in writing), all rights, obligations and liabilities of Xinji Yuzheng and Bangshe Gongyu Guangzhou in relation to the Sub-Sublease Agreement shall cease and terminate and neither parties thereto shall have any claim against the others in respect of the Sub-Sublease Agreement save for any antecedent breach and/or any rights or obligations which may have accrued under the Sub-Sublease Agreement prior to such termination.

As at the date of this announcement, all the conditions above have been fulfilled or satisfied.

The total amount of consideration, including rental fee and management fee, payable by Bangshe Gongyu Guangzhou to Xinji Yuzheng under the Sub-Sublease Agreement shall be approximately RMB170,861,000 (as to approximately RMB118,795,000 for the total rental for the Premises, RMB9,415,000 for the total rental for the Car Park and RMB42,651,000 for the total management fee) (inclusive of PRC value-added tax). Upon the expiry of the Sub-Sublease Agreement, Xinji Yuzheng will consider the prevailing market conditions before deciding whether to renew the Sub-Sublease Agreement with Bangshe Gongyu Guangzhou or to enter into a new sub-sublease agreement with another third party in respect of the sub-subleasing of the Properties for the remaining term of approximately 4.4 years under the Sublease Agreement.

INFORMATION ON THE PARTIES

Longmei Dongman

Longmei Dongman is a company established in the PRC with limited liability and is principally engaged in real estate development and operation, property management, leasing of property, animation and auxiliary product design services. Longmei Dongman is owned as to 55% by 廣州冠達商業運營有限公司 (Guangzhou Guanda Commercial Operation Co., Ltd.*) (“**Guanda Commercial**”), 15% by 佛山市順德區禺興貿易有限公司 (Foshan City Shunde District Yuxing Trading Co., Ltd.*), 10% by 肇慶市恒基投資有限公司 (Zhaoqing City Hengji Investment Co., Ltd.*), 10% by 佛山市順德區駿基投資有限公司 (Foshan City Shunde District Junji Investment Co., Ltd.*) and 5% each by two other minority shareholders. Guanda Commercial in turn is owned as to 70% and 30% by 吳巧琼 (Wu Qiaoqiong*) and 易和平 (Yi Heping*) respectively. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of Longmei Dongman and its ultimate beneficial owner(s) is an Independent Third Party.

Xinji Yuzheng

Xinji Yuzheng is a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Xinji Yuzheng is principally engaged in the subleasing business.

Bangshe Gongyu Guangzhou

Bangshe Gongyu Guangzhou is a company established in the PRC with limited liability and is principally engaged in the operation of long-term rental apartments and hotels. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of Bangshe Gongyu Guangzhou and its ultimate beneficial owner(s) is an Independent Third Party.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUBLEASE AGREEMENT AND SUB-SUBLEASE AGREEMENT

The Group is principally engaged in the operation of the shopping malls for hospitality supplies and home furnishings which generated rental revenue in the PRC and the subleasing business.

The Properties are located in the business district of Panyu District, Guangzhou City, Guangdong Province, the PRC and comprised of two buildings with GFA of approximately 34,394 sq.m., which houses over 1,000 retirement homes, and 237 underground car parking spaces. In recent years, there has been significant improvement in the general living standards and medical care in the PRC, which is attributable to the economic and social development in the PRC. As a result, the population life expectancy in the PRC has continued to increase, leading to an aging population and higher demand for retirement homes. The Directors considered that the entering into of the Sublease Agreement and the Sub-Sublease Agreement will enable the Group to diversify its existing businesses and provide a stable source of revenue for the Group. The Group is expected to generate a return on investment of approximately 8.25% per annum from the transactions contemplated under the Sublease Agreement and the Sub-Sublease Agreement (assuming that upon expiry of the Sub-Sublease Agreement, Xinji Yuzheng will renew the Sub-Sublease Agreement with Bangshe Gongyu Guangzhou or enter into a new sub-sublease agreement with another third party on

substantially the same terms and conditions as that of the Sub-Sublease Agreement for the remaining term of approximately 4.4 years under the Sublease Agreement). Save for the change of the sublandlord/sub-sublandlord from Longmei Dongman to Xinji Yuzheng, the terms and conditions of the Sub-Sublease Agreement are substantially the same as that of the 2018 Agreement. Therefore, Bangshe Gongyu Guangzhou was willing to enter into the Termination Agreement with Longmei Dongman and the Sub-Sublease Agreement with Xinji Yuzheng. The Directors noted that Bangshe Gongyu Guangzhou's rental payment obligations under the Sub-Sublease Agreement is secured by the guarantee given by Longmei Dongman in favour of Xinji Yuzheng, which reduces the risk exposure of the Group in the event of default by Bangshe Gongyu Guangzhou.

The terms of the Sublease Agreement, including the Consideration, were determined after arm's length negotiation between Xinji Yuzheng and Longmei Dongman with reference to the valuation of the right-of-use assets under the Sublease Agreement as at 15 December 2021 under the discounted cash flow approach prepared by the Independent Valuer of RMB153,791,000. The Company intends to finance the Consideration by the internal resources of the Group, bank borrowings and/or by conducting fundraising activities. The Company will not apply any of the IPO Net Proceeds for financing the Consideration.

The terms of the Sub-Sublease Agreement, including the annual rental, were determined after arm's length negotiation between Xinji Yuzheng and Bangshe Gongyu Guangzhou with reference to (i) the historical annual rental payable by Bangshe Gongyu Guangzhou to Longmei Dongman under the 2018 Agreement; (ii) the prevailing market rental rates for similar premises in similar locations in the PRC; and (iii) the rental increment of 4% every other year during the term of the Sub-Sublease Agreement with reference to the expected inflation rate in the future.

The Directors are of the view that the Sublease Agreement and the Sub-Sublease Agreement were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and that the terms are fair and reasonable and in the interests of the Company and the its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 "Leases", the Company will recognise the unaudited value of the right-of-use assets on its consolidated statement of financial position in connection with the subleasing of the Properties under the Sublease Agreement. Accordingly, the transaction under the Sublease Agreement will be regarded as acquisition of asset by Xinji Yuzheng for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated value of the right-of-use assets under the Sublease Agreement are more than 5% but less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“2017 Agreement”	the agreement dated 28 December 2017 and entered into between Longmei Dongman and Bangshe Gongyu pursuant to which Longmei Dongman agreed to sublease the Properties to Bangshe Gongyu for the period commencing from 28 December 2017 and expiring on 31 May 2036
“2018 Agreement”	the agreement dated 26 June 2018 and entered into among Longmei Dongman, Bangshe Gongyu and Bangshe Gongyu Guangzhou pursuant to which Bangshe Gongyu assigned all its rights and obligations under the 2017 Agreement to Bangshe Gongyu Guangzhou
“Bangshe Gongyu”	北京邦舍公寓管理有限公司 (Beijing Bangshe Gongyu Management Co., Ltd.*), a company established in the PRC with limited liability
“Bangshe Gongyu Guangzhou”	北京邦舍公寓管理有限公司廣州分公司 (Beijing Bangshe Gongyu Management Co., Ltd. Guangzhou Branch*), a company established in the PRC with limited liability
“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding Saturday(s), Sunday(s) and public holiday(s)) on which licensed banks in Hong Kong are generally open for normal banking business
“Car Park”	the 237 underground car parking spaces adjacent to the Premises
“Company”	Xinji Shaxi Group Co., Ltd (信基沙溪集團股份有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3603)
“Consideration”	RMB153,791,000, being the total consideration payable by Xinji Yuzheng to Longmei Dongman under the Sublease Agreement
“Deposit”	the rental deposit in the amount of RMB3,611,370 paid by Bangshe Gongyu Guangzhou to Longmei Dongman pursuant to the 2018 Agreement

“Director(s)”	the director(s) of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Independent Valuer”	AVISTA Valuation Advisory Limited, an independent valuer engaged by the Group in respect the valuation of the right-of-use assets under the Sublease Agreement
“IPO Net Proceeds”	the net proceeds received by the Company from its initial public offering on the Stock Exchange on 8 November 2019, the intended use of which was further amended and disclosed in the announcements of the Company dated 6 July 2020 and 24 November 2021
“Letter of Guarantee”	the irrevocable letter of guarantee dated 23 December 2021 entered into by Longmei Dongman in favour of Xinji Yuzheng pursuant to which Longmei Dongman agreed to guarantee that the actual amount of annual or total revenue to be received by Xinji Yuzheng in respect of the sub-subleasing of the Properties to Bangshe Gongyu Guangzhou or any other third party will not be less than the amount of annual or total revenue that Xinji Yuzheng is entitled under the Sub-Sublease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longmei Dongman”	廣州龍美動漫科技有限公司 (Guangzhou Longmei Dongman Technology Co., Ltd*), a company established in the PRC with limited liability
“Longmei Village Economic Cooperation”	廣州市番禺區東環街龍美村股份合作經濟社 (Guangzhou City Panyu District Donghuan Street Longmei Village Joint Stock Economic Cooperation*), an entity established in the PRC

“PRC”	the People’s Republic of China, which for the purposes of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	中國廣東省廣州市番禺區番禺大道龍美村信基龍美國際動漫產業園C區C1及C2大廈 (Building C1 and C2, Zone C, Xinji Longmei International Animation Industrial Park, Longmei Village, Panyu Avenue, Panyu District, Guangzhou City, Guangdong Province, the PRC*) with a total GFA of approximately 34,394 sq.m.
“Properties”	collectively, the Premises and the Car Park
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sublease Agreement”	the sublease agreement dated 23 December 2021 and entered into between Longmei Dongman and Xinji Yuzheng in respect of the sublease of the Properties
“Sub-Sublease Agreement”	the sub-sublease agreement dated 23 December 2021 and entered into between Xinji Yuzheng and Bangshe Gongyu Guangzhou in respect of the sub-sublease of the Properties
“Termination Agreement”	the agreement dated 23 December 2021 and entered into between Longmei Dongman and Bangshe Gongyu Guangzhou in relation to the termination of the 2018 Agreement with effect from 10 January 2022
“Xinji Yuzheng”	廣州信基譽正商業運營管理有限公司 (Guangzhou Xinji Yuzheng Commerce Operation Management Co., Ltd*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Valuation Report”	the valuation report on the valuation of the right-of-use assets under the Sublease Agreement as at 15 December 2021 under the discounted cash flow approach prepared by the Independent Valuer

“%”

per cent.

By order of the Board
Xinji Shaxi Group Co., Ltd
Cheung Hon Chuen
Chairman

Guangzhou, the PRC, 23 December 2021

As at the date of this announcement, the Board comprises Mr. Cheung Hon Chuen as chairman and executive Director; Mr. Mei Zuoting and Mr. Zhang Weixin as executive Directors; Mr. Yu Xuecong, Mr. Lin Lie and Ms. Wang Yixue as non-executive Directors; and Dr. Zeng Zhaowu, Mr. Tan Michael Zhen Shan and Mr. Zheng Decheng as independent non-executive Directors.

* *For identification purposes only*