

CONNECTED TRANSACTIONS

Our Group [has entered] into a number of agreements with parties who will, upon completion of the Listing, become our connected persons, and the transactions disclosed in this section will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the Listing.

(A) CONTINUING CONNECTED TRANSACTION FULLY EXEMPT FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

1. Trademark License Agreements

(a) Deed of Trademark Licensing

On [●], a deed of trademark licensing was entered into between our Company (for ourselves and on behalf of our other subsidiaries) and Excellence Real Estate (the “**Deed of Trademark Licensing**”), pursuant to which Excellence Real Estate agreed to irrevocably and unconditionally grant us a non-transferable license to use the “ Excellence” trademark which is registered in Hong Kong for a perpetual term commencing from the date of the Deed of Trademark Licensing, which is subject to the renewal of the Excellence Trademark, on a royalty-free basis. See “Appendix IV—Statutory and General Information—B. Information about Our Business—2. Intellectual property rights of our Group”.

We believe that the entering into of the Deed of Trademark Licensing with a term of more than three years can ensure the stability of our operations, and is beneficial to us and our Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreement of this type to be of such duration.

As of the Latest Practicable Date, Excellence Real Estate was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Excellence Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transaction under the Deed of Trademark Licensing will constitute continuing connected transaction for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the Excellence Trademark is granted to us on a royalty-free basis, the transaction under the Deed of Trademark Licensing will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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(b) Trademark License Agreement

On May 27, 2020, a trademark license agreement was entered into between our Company (for ourselves and on behalf of our other subsidiaries) and Excellence Real Estate (the “**Trademark License Agreement**”), pursuant to which Excellence Real Estate agreed to irrevocably and unconditionally grant us a non-transferable license to use certain trademarks owned by Excellence Real Estate in the PRC for a perpetual term commencing from the date of the Trademark License Agreement, which is subject to the renewal of the licensed trademarks, on a royalty-free basis. See “Appendix IV—Statutory and General Information—B. Information about Our Business—2. Intellectual property rights of our Group”.

We believe that the entering into of the Trademark License Agreement with a term of more than three years can ensure the stability of our operations, and is beneficial to us and our Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreement of this type to be of such duration.

As of the Latest Practicable Date, Excellence Real Estate was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Excellence Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Trademark License Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As the right to use the licensed trademarks is granted to us on a royalty-free basis, the transactions under the Trademark License Agreement will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. Property Agency Services Framework Agreement

On [●], our Company (for ourselves and on behalf of our other subsidiaries) entered into a property agency services framework agreement with Excellence Real Estate (for itself and on behalf of other members of the Excellence Group and its associates) (the “**Property Agency Services Framework Agreement**”), pursuant to which our Group agreed to provide property agency services in respect of (i) the sales of residential and commercial properties developed by Excellence Group and its associates, (ii) the unleased units in the office buildings and unleased ancillary commercial units in the residential communities owned by Excellence Group and its associates and managed by us (the “**Property Agency Services**”). The Property Agency Services Framework Agreement has a term commencing from the [REDACTED] until December 31, 2022.

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For each of the three years ended December 31, 2017, 2018 and 2019, the total amount of commission fee payable by the Excellence Group and its associates for the Property Agency Services amounted to approximately RMB1.6 million, RMB0.1 million and RMB1.0 million, respectively. The decrease in the total amount of commission fee payable for the Property Agency Services in 2018 was primarily due to the decrease in demand for the properties which was in line with the downturn of the market.

The commission fee to be charged for the Property Agency Services shall be determined after arm’s length negotiations with reference to (i) the rental or selling price and GFA of the properties to be leased or sold through our Property Agency Services, and (ii) a certain commission rate which is comparable to the market rate provided by Excellence Group to other independent property agency service providers for similar services.

Our Directors estimate that the maximum annual fee payable by the Excellence Group and/or its associates in relation to the Property Agency Services under the Property Agency Services Framework Agreement for each of the three years ending December 31, 2022 will not exceed RMB1.1 million, RMB1.2 million and RMB1.5 million, respectively.

In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the historical transaction amounts during the Track Record Period;
- the estimated GFA of office units and ancillary commercial units to be leased and properties to be developed by the Excellence Group which require the Property Agency Services for the three years ending December 31, 2022 and the expected success rate of referral of our Group estimated based on the historical success rate;
- the expected increase in capacity to provide Property Agency Services through the expansion of the sales team of our Group; and
- the demand for the properties in the next three years after taking into account of the prospects of China’s real estate industry in the next three years.

As of the Latest Practicable Date, Excellence Real Estate was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Excellence Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Property Agency Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Property Agency Services Framework Agreement is expected to be less than 0.1% on an annual basis, the transactions under the Property Agency Services Framework Agreement will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules and will be exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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(B) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPTED FROM THE INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENT

1. Commercial Properties Lease Agreement

On [●], our Company (for ourselves and on behalf of our other subsidiaries) entered into a master commercial properties lease agreement with Excellence Real Estate (for itself and on behalf of its subsidiaries and associates) (the “**Master Commercial Properties Lease Agreement**”), pursuant to which we will lease from Excellence Group and its associates (i) certain car parking lots situated in residential and commercial properties managed by us for sub-leasing to residents and tenants in those residential and commercial properties (the “**Car Parking Lots**”); and (ii) certain public areas in the commercial properties held by Excellence Group and its associates and managed by us for commercial use, including but not limited to advertisement and provision of car wash services (the “**Public Area**”, together with the Car Parking Lots, the “**Commercial Properties**”). The Master Commercial Properties Lease Agreement has a term commencing from the Listing Date until December 31, 2022. Relevant members of both parties will enter into separate lease agreements setting out the specific terms and conditions based on the principles provided in the Master Commercial Properties Lease Agreement.

For each of the three years ended December 31, 2017, 2018 and 2019, the total amount of rent paid by our Group to Excellence Group for the lease of Commercial Properties amounted to approximately RMB29.8 million, RMB35.9 million and RMB35.3 million, respectively.

During the Track Record Period, Excellence Group and its associates leased certain Commercial Properties to us, which we subsequently subleased the Commercial Properties to certain residents and tenants. Given that (i) the Car Parking Lots were situated within the car parking areas of the residential communities and commercial properties managed by us and the residents and tenants were accustomed to approaching us for their leasing needs for car parking lots as we were managing the car parking areas and had access to the landlords; (ii) our Group has been providing services to Excellence Group and its associates during the Track Record Period in relation to the lease of the Car Parking Lots due to our sufficient resources and expertise in this regard; and (iii) the lease of the Public Area would improve the utilization of the idle area on the properties owned and used by Excellence Group and its associates and managed by us, which in turn could better serve the tenants in such properties and diversify our revenue streams, we will continue to lease the Commercial Properties from Excellence Group and its associates in accordance with the Master Commercial Properties Lease Agreement.

The rent to be paid by our Group under the Master Commercial Properties Lease Agreement shall be determined on arm’s length basis with reference to, among others, (i) the government-guided rent for the car parking lots in the residential properties promulgated by the relevant local regulatory authorities; (ii) the prevailing market rent of the Commercial Properties in similar locations in the PRC; (iii) the occupancy rate of the Car Parking Lots leased by our Group from Excellence Group; and (iv) the number of the Car Parking Lots in the residential communities and commercial properties we managed.

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Our Directors estimate that the maximum annual fee payable by us under the Master Commercial Properties Lease Agreement for each of the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB49.4 million, RMB49.9 million and RMB51.3 million, respectively.

In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the historical transaction amounts in relation to the lease of the Car Parking Lots during the Track Record Period;
- the government-guided rent for the car parking lots in the residential properties and the estimated increase for the three years ending December 31, 2022;
- the estimated occupancy rate for residential and commercial properties;
- the terms and conditions, in particular, the rent, under the existing lease agreements;
- the expected rental, location and expected expansion of the leasing area of the premises to be leased by our Group taking into account the number of residential and commercial properties to be managed by our Group, the estimated number of Car Parking Lots available;
- the historical transaction amounts in relation to the lease of the Public Area.

As of the Latest Practicable Date, Excellence Real Estate was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Excellence Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Commercial Properties Lease Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Commercial Properties Lease Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master Commercial Properties Lease Agreement will constitute continuing connected transactions for our Company which are subject to the reporting, annual review and announcement requirements but exempted from independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

2. Master Procurement & Maintenance Services Agreement

On [●], our Company (for ourselves and on behalf of our other subsidiaries) entered into a master procurement and maintenance services agreement with Shenghengda Elevator (the “**Master Procurement & Maintenance Services Agreement**”), pursuant to which our Group agreed to (i) procure elevators accessories from Shenghengda Elevator; and (ii) engage

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Shenghengda Elevator to provide accessorial installation, maintenance and repair services of such elevators (the “**Procurement & Maintenance Services**”). The Master Procurement & Maintenance Services Agreement has a term commencing from the Listing Date until December 31, 2022.

During the Track Record Period, our Group procured elevators accessories from Shenghengda Elevator and engaged it to provide accessorial installation, maintenance and repair services for elevators installed in certain residential and commercial properties we manage. For each of the three years ended December 31, 2017, 2018 and 2019, the total amount of fees payable to Shenghengda Elevator for the Procurement & Maintenance Services amounted to approximately RMB17.8 million, RMB21.1 million and RMB27.6 million, respectively. The increase in the total amount of fees payable by our Group during the three years ended 31, 2017, 2018 and 2019 was primarily due to increase in the provision of Procurement & Maintenance Services by Shenghengda Elevator as a result of increase in the number of residential and commercial properties managed by our Group.

The fees to be charged for the Procurement & Maintenance Services will be determined on arm’s length basis with reference to the government-guided price of elevator maintenance service, and the prevailing market price (taking into account the location and the conditions of the properties and the anticipated operational costs including labor costs and material costs).

Our Directors estimate that the maximum annual fee payable by our Group in relation to the Procurement & Maintenance Services to be provided by Shenghengda Elevator for each of the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB31.1 million, RMB37.3 million and RMB40.2 million, respectively.

In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the historical transaction amounts and growth trend during the Track Record Period;
- the estimated revenue to be recognized based on the existing signed contracts;
- the estimated number of elevators to be managed by us based on the estimated residential and commercial properties to be managed by us for the three years ending December 31, 2022, which is in turn estimated based on the development plan for the three years ending December 31, 2022; and
- the estimated maintenance and repair fees and price of accessories of each elevator.

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As of the Latest Practicable Date, Shenghengda Elevator was owned as to 98.5% by Ms. Li Xin. Ms. Li Xin was a director of Shenghengda EE, our wholly-owned subsidiary, in the past 12 months and Shenghengda Elevator is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Procurement & Maintenance Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As (i) Shenghengda Elevator is a connected person of our Company at the subsidiary level; (ii) our Board (including all the independent non-executive Directors) [has approved] the Master Procurement & Maintenance Services Agreement and the transactions contemplated thereunder; and (iii) all the independent non-executive Directors [have confirmed] that the terms of the Master Procurement & Maintenance Service Agreement are fair and reasonable, on normal commercial terms or better and in the interests of our Company and the Shareholders as a whole, the transactions under the Master Procurement & Maintenance Services Agreement are subject to the reporting, annual review and announcement requirements but exempted from independent shareholders’ approval requirement pursuant to Rule 14A.101 of the Listing Rules.

3. Master IT System Support Services Agreement

On [●], our Company (for ourselves and on behalf of our other subsidiaries) entered into a master information technology system support services agreement with Zhenglian Haodong (the “**Master IT System Support Services Agreement**”), pursuant to which Zhenglian Haodong agreed to provide information technology system support services to our Group, including but not limited to (i) development, operation, maintenance and upgrade of online intelligent platform for property management; and (ii) maintenance and upgrade of online office system, business process management system and internal control management system (the “**IT System Support Services**”). The Master IT System Support Services Agreement has a term commencing from the Listing Date until December 31, 2022.

Since Zhenglian Haodong was a wholly-owned subsidiary of our Group before the Reorganization, no fee was charged by Zhenglian Haodong in respect of the services provided by Zhenglian Haodong to our Group for the three years ended December 31, 2017, 2018, and 2019. As part of the Reorganization, Zhenglian Haodong was disposed of by our Group and fee will be charged by Zhenglian Haodong for services to be provided to our Group by Zhenglian Haodong.

The fees to be charged for the IT System Support Services will be determined on arm’s length basis with reference to the labor costs, the administrative expenses, and the prices charged by Zhanglian Haodong for similar services provided to Independent Third Parties.

Our Directors estimate that the maximum annual fee payable by our Group in relation to the IT System Support Services to be provided by Zhanglian Haodong for each of the three years ending December 31, 2022 will not exceed RMB5.8 million, RMB9.6 million and RMB11.8 million, respectively.

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In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the estimated expenses of the development plan for the online intelligent platform and the maintenance and upgrade schedule of the information technology systems used by our Group for the three years ending December 31, 2022; and
- the estimated demand of our Group for the IT System Support Services.

As of the Latest Practicable Date, Zhanglian Haodong was indirectly controlled by Excellence Real Estate which was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Zhanglian Haodong is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master IT System Support Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master IT System Support Services Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master IT System Support Services Agreement will constitute continuing connected transactions for our Company which are subject to the reporting, annual review and announcement requirements but exempted from independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

(C) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENTS

1. Master Property Management Services Agreement

On [●], our Company (for ourselves and on behalf of our other subsidiaries) entered into a master property management services agreement (the “**Master Property Management Services Agreement**”) with Excellence Real Estate (for itself and on behalf of other members of the Excellence Group and its associates), pursuant to which we agreed to provide to Excellence Group and its associates property management services, including but not limited to (i) pre-delivery services including (a) the on-site security, cleaning, and display units and on-site sales office management services; (b) preliminary planning and design consultancy services; (c) house inspection; and (d) pre-delivery cleaning services; and (ii) the property management services for the unsold residential property units and commercial properties owned and used by Excellence Group and its associates (the “**Property Management Services**”), for a term commencing from the Listing Date to December 31, 2022.

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For each of the three years ended December 31, 2017, 2018 and 2019, the total amount of fees payable by Excellence Group and its associates for the Property Management Services provided by our Group amounted to approximately RMB93.9 million, RMB117.7 million and RMB193.4 million, respectively.

The fees to be charged for the Property Management Services shall be determined on arm’s length basis with reference to (i) the size, location and positioning of the properties; (ii) the anticipated operation costs (including but not limited to labor costs, administration costs, energy costs and costs of materials); (iii) the price charged by other service providers who provide comparable services for properties in close proximity of the properties managed by our Group; (iv) the government-guided property management fees for residential properties promulgated by the relevant local regulatory authorities; and (v) the prices charged by us for providing comparable services to Independent Third Parties. The service fees shall not be higher than the standard fees designated by the relevant regulatory authorities or lower than the standard fees to be charged from Independent Third Parties.

Our Directors estimate that the maximum annual fee payable by Excellence Group and its associates in relation to the Property Management Services for each of the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB204.8 million, RMB291.7 million and RMB370.3 million, respectively.

In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the historical transaction amounts and growth trend during the Track Record Period;
- the estimated revenue to be recognized in relation to the Property Management Services provided by us pursuant to the existing contracts;
- in respect of the annual caps for the management services to be provided at the pre-delivery stage, our estimation of the GFA of the residential properties expected to be sold by Excellence Group and its associates in the relevant periods, estimated based on the land bank of Excellence Group and its associates as of December 31, 2019 as well as their historical sales GFA and the related growth rate;
- in respect of the annual caps for the management services to be provided for the unsold residential property units, (i) the aggregate area of the unsold property units for the relevant period, the expected total GFA under management, and (ii) an estimated management fees to be charged per sq.m.; and
- in respect of the annual caps for the management services to be provided for commercial properties owned by Excellence Group and its associates, our estimation of the GFA of the commercial properties expected to be developed by Excellence Group and its associates in the relevant periods, estimation based on the land bank of Excellence Group and its associates as of December 31, 2019 as well as their historical developed GFA and the related growth rate.

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As of the Latest Practicable Date, Excellence Real Estate was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Excellence Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Property Management Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Master Property Management Services Agreement is expected to be more than 5% on an annual basis, the transactions under the Master Property Management Services Agreement will constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

2. Master Supply & Installation Agreement

On [●], our Company (for ourselves and on behalf of our other subsidiaries) entered into a master supply and installation agreement with Excellence Real Estate (for itself and on behalf of other members of the Excellence Group and its associates) (the “**Master Supply & Installation Agreement**”), pursuant to which our Group agreed to (i) supply (a) ventilation and air conditioning system; (b) floor heating and water heating system; and (c) intelligent home system including but not limited to access control and surveillance system (the “**Systems**”) to Excellence Group and its associates; and (ii) provide related installation services (the “**System Supply & Installation Services**”). The Master Supply & Installation Agreement has a term commencing from the Listing Date until December 31, 2022.

As our Group only started supplying air conditioning system, heating system and ventilation system to the Excellence Group and its associates from 2020, for each of the three years ended December 31, 2017, 2018 and 2019, the fees payable for the System Supply & Installation Services by the Excellence Group and its associates was nil, nil and nil, respectively.

The fees to be charged for the System Supply & Installation Services will be determined on arm’s length basis with reference to the prevailing market price (taking into account the location and the conditions of the properties, purchasing cost of the Systems, and the anticipated operational costs including labor costs and material costs).

Our Directors estimate that the maximum annual fees payable by Excellence Group and its associates in relation to the System Supply & Installation Services for each of the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB73.5 million, RMB122.4 million and RMB183.7 million, respectively. This significant increase in the total amount of fee payable by Excellence Group and its associates for the System Supply & Installation Services was primarily attributable to (i) the provision of heating system and ventilation system since 2020 and plan to provide intelligent home system to Excellence Group and its associates starting 2021, respectively; and (ii) the estimated increase in the number of residential properties to be developed by Excellence Group and its associates in the next three years which requires System Supply & Installation Services.

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In arriving at the above annual caps, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- the estimated revenue to be recognized based on the existing signed contracts;
- the estimated price of the Systems, and the related installation fee;
- the estimated increase in the number of finely decorated apartments in the residential properties to be developed by the Excellence Group and its associates that require System Supply & Installation Services in light of the positive national policies in the PRC; and
- the estimated increase in demand of the System Supply & Installation Services based on the estimated residential properties to be developed by Excellence Group for the three years ending December 31, 2022, which is in turn estimated based on the development plan for the three years ending December 31, 2022 provided to us.

As of the Latest Practicable Date, Excellence Real Estate was owned as to 95.0% by Mr. Li Wa. Mr. Li Wa is one of our Controlling Shareholders and Excellence Real Estate is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Supply & Installation Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing.

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps under the Master Supply & Installation Agreement is expected to be more than 5% on an annual basis, the transactions under the Master Supply & Installation and Agreement will constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

(D) APPLICATION FOR WAIVER

The transactions described in “—(B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement” constitute our continuing connected transactions under the Listing Rules, which are exempt from the independent Shareholders’ approval requirements but subject to the reporting, annual review and announcement requirements of the Listing Rules.

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The transactions described in “—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” constitute our continuing connected transactions under the Listing Rules, which are subject to the reporting, annual review, announcement and independent Shareholders’ approval requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], waivers exempting our Group from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transaction as disclosed in “—(B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement”; and the announcement and independent Shareholders’ approval requirements in respect of the continuing connected transactions as disclosed in “—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above). Apart from the above waivers sought on the strict compliance of the announcement and independent Shareholders’ approval requirements, we will comply with the relevant requirements under Chapter 14A of the Listing Rules.

If any terms of the transactions contemplated under the agreements mentioned above are altered or if our Company enters into any new agreements with any connected person in the future, we will fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

(E) DIRECTORS’ VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transaction described in “—(B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement” and “—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” have been and will be carried out (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps of the continuing connected transaction in “—(B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement” and “—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” are fair and reasonable and are in the interests of our Shareholders as a whole.

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(F) JOINT SPONSORS’ VIEW

The Joint Sponsors are of the view (i) that the continuing connected transactions described in “—(B) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement” and “—(C) Continuing Connected Transactions subject to the Reporting, Annual review, Announcement and Independent Shareholders’ Approval Requirements” have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) that the proposed annual caps (where applicable) of such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.