

## CONNECTED TRANSACTIONS

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

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

### Trademark Licensing

On October 16, 2020, a trademark license agreement was entered into between our Company, Shimao Group Holdings and Fine Tune Investments Limited (“**Fine Tune Investments**”) (the “**Trademark License Agreement**”), pursuant to which Fine Tune Investments agreed and Shimao Group Holdings agreed to procure Fine Tune Investments to irrevocably and unconditionally grant to our Company and other members of our Group a non-transferrable and non-exclusive license to use certain trademarks for a perpetual term commencing from the date of the Trademark License Agreement in the PRC on a royalty-free basis. Subject to negotiations between the parties thereto, the Trademark License Agreement will terminate upon Shimao Group Holdings ceasing to be our Controlling Shareholder. For a full list and details of the licensed trademarks, please refer to “B. Information about Our Business — 2. Intellectual property rights of our Group” in Appendix IV to this Document.

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 the Shareholders as a whole. The Joint Sponsors are of the view that it is normal business practice for agreements of this type to be of duration of more than three years.

As of the Latest Practicable Date, Fine Tune Investments as the registered proprietor of the licensed trademarks was an indirect wholly-owned subsidiary of Shimao Group Holdings, one of our Controlling Shareholders. Each of Fine Tune Investments and Shimao Group Holdings is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transaction under the Trademark License Agreement will constitute a continuing connected transaction for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

As the right to use the licensed trademarks is granted to our Group on a royalty-free basis, the transaction under the Trademark License Agreement will be within the *de minimis* threshold provided under Rule 14A.76 of the Listing Rules and will be exempted 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 TRANSACTION SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENT

#### Promotion Services

On October 16, 2020, our Company entered into a master promotion services agreement (the “**Master Promotion Services Agreement**”) with Shimao Group Holdings, pursuant to which the Shimao Group agreed to provide promotion services to our Group including providing marketing and promotion services at sales offices and display units in respect of our home improvement business (the “**Promotion Services**”). The Master Promotions Services Agreement has a term commencing from the [REDACTED] until December 31, 2022.

We have been occasionally procuring Promotion Services from the Shimao Group since January 2019. For the year ended December 31, 2019 and the six months ended June 30, 2020, the total service fee payable by our Group to the Shimao Group in respect of the Promotions Services amounted to RMB27.0 million and RMB0.2 million, respectively. The fee for the Promotion Services has been determined based on a percentage of the contract price of our home improvement business promoted with the assistance of the Shimao Group. The lower service fee payable by our Group to the Shimao Group for the six months ended June 30, 2020 was mainly attributable to a decrease in home improvement business contracts facilitated by the Promotion Services due to the COVID-19 pandemic, and we expect that the Promotion Services will increase and make up for the lesser transaction amount during the six months ended June 30, 2020 in the second half of 2020.

It is anticipated under the Master Promotion Services Agreement, our Group will continue to procure Promotion Services from the Shimao Group to leverage its resources employed during the pre-sale stage to promote our home improve services to end customers, which enables us to extend our customer reach, reduce our operating and labor costs and dedicate resources to management and other services. We consider such arrangement will be more effective and efficient in promoting our home improvement business than for us to allocate our own resources for such purposes. The fee to be charged for the Promotion Services will be determined after arm’s length negotiations with reference to the historical charge basis and the prevailing market price of similar services in the open market. It is estimated that the maximum amounts of service fee payable by our Group in relation to the Promotion Services for the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB36.0 million, RMB66.6 million and RMB108.3 million, respectively.

The steady increase in the annual caps for the Promotion Services from the year ending December 31, 2020 through the year ending December 31, 2022, as compared to the historical transaction amount for the year ended December 31, 2019, is mainly due to the expected increase in demand for the Promotion Services related to the ongoing and expected expansion of our home improvement business. Demand for the Promotion Services is expected to increase considering (a) the launch of the More+ platform, being the new platform for our home improvement services, in 2019 which is expected to significantly raise demand for the Promotion Services in 2020; and (b) our plan to further enlarge the scale of our home improvement services, both of which require additional promotional

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work. The increased efforts facilitated by the Promotion Services brought about increased revenue from our home improvement services in 2019 and such increasing trend is expected to continue. The annual caps for the three years ending December 31, 2022 have been estimated with the above increasing demand and expected increasing revenue taken into account.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts of the Promotion Services for the year ended December 31, 2019 and the six months ended June 30, 2020;
- the estimated revenue from our home improvement services with reference to the historical amounts and the significant historical growth trend. Revenue from our home improvement services was RMB0.5 million, RMB0.3 million and RMB74.2 million for each of the three years ended 2017, 2018 and 2019, respectively, which significantly increased over 246 times from 2018 to 2019;
- the estimated increase in demand for the Promotion Services considering the expected rapid expansion of the home improvement business of our Group; and
- the expected commission rate to be charged in respect of the Promotion Services to be provided by the Shimao Group, which is expected to be same as the rate charged for the year ended December 31, 2019.

Shimao Group Holdings is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Promotion Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Master Promotion Services Agreement are expected to be more than 0.1% but less than 5% on an annual basis, the transactions under the Master Promotion Services Agreement constitute continuing connected transactions for our Company which are subject to the reporting, annual review, announcement requirements but exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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

**1. Property Management and Related Services**

On October 16, 2020, our Company entered into a master property management and related services agreement (the “**Master Property Management and Related Services Agreement**”) with Shimao Group Holdings, pursuant to which our Group agreed to provide to the Shimao Group and its associates property management and related services, including

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but not limited to (i) property management services for the properties owned or used by the Shimao Group and its associates, (ii) pre-delivery cleaning, gardening and security services, (iii) smart community solutions, (iv) repair and maintenance services during the warranty period of residential properties and other properties, (v) display units and property sales office management services, and (vi) preliminary planning and design consultancy services at the pre-delivery stage (the “**Property Management and Related Services**”). The Master Property Management and Related Services Agreement has a term commencing from the [REDACTED] until December 31, 2022.

For the three years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, the total service fee payable to our Group in respect of the Property Management and Related Services amounted to RMB297.1 million, RMB456.6 million, RMB735.3 million and RMB432.0 million.

The fees to be charged for the Property Management and Related Services will be determined after arm’s length negotiations with reference to the prevailing market price (taking into account the location and conditions of the property, the scope of the services and the anticipated operational costs including but not limited to labor costs, administration costs and costs of materials), historical transaction amounts and the prices charged by our Group for providing similar services to Independent Third Parties.

It is estimated that the maximum amounts of service fee payable to our Group in relation to the Property Management and Related Services for the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB983.0 million, RMB1,237 million and RMB1,510 million, respectively. The increase in the annual caps for the Property Management and Related Services as compared to the historical transaction amounts for the Track Record Period is mainly due to the expected increase in demand for Property Management and Related Services, taking into account the latest operating performance of the Shimao Group and its development plan.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts during the Track Record Period;
- the estimated revenue to be recognized based on the existing signed contracts. As of June 30, 2020, we were contracted to manage 166 properties developed by the Shimao Group and its associates which were yet to be delivered with a total contracted GFA of approximately 31.1 million sq.m.;
- the costs incurred for the related services during the Track Record Period;
- the estimated size and number of properties to be delivered by the Shimao Group in the three years ending December 31, 2020, 2021 and 2022, which is based on the properties under development and the land bank held by the Shimao Group as of December 31, 2019. In addition, the GFA under construction and land bank of the Shimao Group has been increasing. According to the interim reports of Shimao Group Holdings, its GFA under construction was 51.60 million sq.m. as of June 30, 2020, representing an

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increase of 51.4% from 34.08 million sq.m. as of June 30, 2019, and it held a land bank of approximately 83.93 million sq.m. (before interests) as of June 30, 2020, representing an increase of 31.0% from 64.07 million sq.m. (before interests) as of June 30, 2019. According to the annual reports of Shimao Group Holdings, its GFA under construction was 42.79 million sq.m. as of December 31, 2019, representing an increase of 47.5% from 29.02 million sq.m. as of December 31, 2018, and it held a land bank of approximately 76.79 million sq.m. (before interests) as of December 31, 2019, representing an increase of 38.7% from 55.38 million sq.m. (before interests) as of December 31, 2018. The rate of increment of the proposed annual caps has taken such increasing GFA under development and land bank of the Shimao Group into account;

- the percentage of properties delivered by the Shimao Group for which our Property Management and Related Services were engaged, and our estimated capacity for the three years ending December 31, 2022;
- the estimated monthly management fee to be charged in respect of residential and other properties owned by the Shimao Group, which is based on the average monthly management fee charged for the year ended December 31, 2019 and the six months ended June 30, 2020. Such fee is considered by CIA to be reasonable and in line with prevailing market rate;
- the estimated service fee to be charged in respect of residential and other properties to be sold by the Shimao Group which will require our repair and maintenance services during the warranty period and is based on the average service fee charged during the Track Record Period. Such fee is considered by CIA to be reasonable and in line with prevailing market rate;
- the estimated service fee to be charged in respect of residential and other properties to be delivered by the Shimao Group that will require our pre-delivery, cleaning, gardening and security services. Such fee is considered by CIA to be reasonable and in line with prevailing market rate;
- the estimated service fee to be charged in respect of residential and other properties to be delivered by the Shimao Group that will require our preliminary planning and design consultancy services at the pre-delivery stage; and
- the expected volume of sale, number of sales offices, size and number of the properties of Shimao Group to be managed by our Group based on the total GFA of properties developed by Shimao Group under our management during the Track Record Period, the properties under development held by Shimao Group as of June 30, 2020, the estimated time of pre-sales and delivery based on public available information and the expected service fee to be calculated on a cost plus basis at a level that CIA considers to be reasonable and in line with prevailing market rate.

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Shimao Group Holdings is one of our Controlling Shareholders and is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Property Management and Related Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

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

### 2. Carpark Sales Agency Services

On October 16, 2020, our Company entered into a master carpark sales agency services agreement (the “**Master Carpark Sales Agency Services Agreement**”) with Shimao Group Holdings, pursuant to which our Group agreed to provide carpark space sales agency services, including but not limited to providing marketing and sales services for carpark space developed by the Shimao Group and its associates (the “**Carpark Sales Agency Services**”). The Master Carpark Sales Agency Services Agreement has a term commencing from the [REDACTED] until December 31, 2022.

For each of the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, the total service fee receivable by our Group in respect of the Carpark Sales Agency Services amounted to RMB0.4 million, RMB16.5 million, RMB71.5 million and RMB30.2 million, respectively. The increase in the service fee during the Track Record Period was due to the increased efforts of our Group to develop its Carpark Sales Agency Services. Such service offering was at an initial stage of development in 2017 with limited projects, which substantially expanded during the Track Record Period. The lower service fee incurred for the six months ended June 30, 2020 was due to a lesser number of carparks sold during such period, which had resulted from slower sales activities caused by the COVID-19 pandemic. We expect that the sales of carpark space will increase and make up for the lesser demand during the six months ended June 30, 2020 in the second half of 2020.

The fees to be charged for the Carpark Sales Agency Services will be determined after arm’s length negotiations with reference to the prevailing market price (taking into account the location and the conditions of the carparks and the anticipated operational costs including labor costs).

It is estimated that the maximum amounts of service fee receivable by our Group in relation to the Carpark Space Sales Agency Services for the three years ending December 31, 2022 will not exceed RMB210.0 million, RMB395.0 million and RMB592.0 million, respectively. The increase in the annual caps for the Carpark Sales Agency Services as compared to the historical transaction amounts for the Track Record Period as we have increased and will continue to increase our efforts to develop our carpark space sales related services. Such service was at an initial stage of development in 2017 and we have achieved

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increase in the number of property projects in which we offered Carpark Sales Agency Services during the Track Record Period.

The following factors were considered in arriving at the above annual caps:

- the historical transaction amounts during the Track Record Period;
- the estimated revenue to be recognized based on the existing signed contracts;
- the estimated number of carpark to be sold by the Shimao Group based on its existing projects available for sale, land bank and projects under development as of December 31, 2019 and June 30, 2020 which will require the Carpark Sales Agency Services for the three years ending December 31, 2022, which is estimated based on the percentage of carparks of the Shimao Group for which our Carpark Sales Agency Services were engaged during the three years ended December 31, 2019 and the six months ended June 30, 2020. Such estimate also takes into account the expected increase in number of projects and properties under development of the Shimao Group, which will lead to an increase in demand for the Carpark Sales Agency Services. According to the interim report of Shimao Group Holdings, as of June 30, 2020, it had 423 projects and a land bank of approximately 83.93 million sq.m. (before interests), representing an increase of 40.5% from 301 projects and 31.0% from 64.07 million sq.m. (before interests), respectively, as of June 30, 2019. According to the annual report of Shimao Group Holdings, as of December 31, 2019, it had 349 projects and a land bank of approximately 76.79 million sq.m. (before interests), representing an increase of 32.2% from 264 projects and 38.7% from 55.38 million sq.m. (before interests), respectively, as of December 31, 2018; and
- the estimated increase in resources devoted to our carpark sales agency business and the expansion of our sales team through recruiting additional experienced sales personnel which will lead to an expected increase in capacity to provide marketing and sales services. Our sales team is expected to expand from 50 sales personnel in 2019 to over 60 sales personnel in 2022.

Shimao Group Holdings is one of our Controlling Shareholders and is therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions under the Master Carpark Sales Agency Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

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

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### (D) APPLICATION FOR WAIVER

The transaction described in “— (B) Continuing Connected Transaction Subject to the Reporting, Annual Review and Announcement Requirements but Exempt From Independent Shareholders’ Approval Requirement” in this section constitutes our continuing connected transaction under the Listing Rules, which is subject to the reporting, annual review and announcement requirements but exempt from independent Shareholders’ approval requirement of the Listing Rules.

The transactions described in “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders’ Approval Requirements” in this section constitute our continuing connected transactions under the Listing Rules which are subject to the reporting, annual review, announcement, circular 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 us 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 Transaction Subject to the Reporting, Annual Review and Announcement Requirements but Exempt From Independent Shareholders’ Approval Requirement”; and the announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, Circular 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 such waivers sought on the strict compliance with the respective requirements, we will comply with the relevant requirements under Chapter 14A of the Listing Rules.

If any of the terms of the transactions contemplated under the agreements mentioned above are altered or if our Company enters into any new agreement 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 separate waiver is obtained from, the Stock Exchange.

### (E) DIRECTORS’ VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described in “— (B) Continuing Connected Transaction Subject to the Reporting, Annual Review and Announcement Requirements but Exempt From Independent Shareholders’ Approval Requirement” and “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders’ Approval Requirements” in this section 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.



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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 Transaction Subject to the Reporting, Annual Review and Announcement Requirements but Exempt From Independent Shareholders’ Approval Requirement” and “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders’ Approval Requirements” in this section are fair and reasonable and are in the interests of our Shareholders as a whole.

We intend to periodically make reference to market terms for our services sourced from and provided to our connected persons, including but not limited through public tendering processes and the conducting of market research by way of seeking quotations from Independent Third Parties, to ensure the terms of our transactions with our connected persons are fair and reasonable. We will duly disclose in our annual reports and accounts the transactions with our connected persons, together with the conclusion drawn by our independent non-executive Directors on whether the transactions are conducted on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholder as a whole.

### **(F) JOINT SPONSORS’ VIEW**

Based on the due diligence findings of the Joint Sponsors, information provided by us, confirmation by our Directors (including independent non-executive Directors), discussion with CIA on the prevailing market rate (where available) of the underlying services, and review of the terms of the relevant framework agreements the Joint Sponsors are of the view (i) that the continuing connected transactions described in “— (B) Continuing Connected Transaction Subject to the Reporting, Annual Review and Announcement Requirements but Exempt From Independent Shareholders’ Approval Requirement” and “— (C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders’ Approval Requirements” in this section 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.