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## CONNECTED TRANSACTIONS

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We have entered into a number of agreements with our connected persons, the details of which are set out below. The transactions disclosed in this section will constitute our continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED].

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

**Trademark License Agreement**

On June 16, 2020, a trademark license agreement was entered into among our Company (for ourselves and on behalf of our other subsidiaries), RiseSun Real Estate Development and RiseSun Holdings (the “**Trademark License Agreement**”), pursuant to which RiseSun Holdings and RiseSun Real Estate Development agreed to irrevocably and unconditionally grant us a license to use certain trademarks owned by them 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 V—Statutory and General Information—B. Further 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 Sole Sponsor is of the view that it is normal business practice for agreement of this type to be of such duration.

Each of RiseSun Real Estate Development and RiseSun Holdings is our Controlling Shareholder and 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 [REDACTED].

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.

**(B) CONTINUING CONNECTED TRANSACTION SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS AND EXEMPT FROM THE INDEPENDENT SHAREHOLDERS’ APPROVAL REQUIREMENT**

**Master Sales Agreement**

On [●], we entered into a master sales agreement (the “**Master Sales Agreement**”) with RiseSun Holdings, pursuant to which RiseSun Holdings and its subsidiaries (excluding our Group) (“**RiseSun Holdings Group**”) agreed to purchase from our Group certain products, including but not limited to promotional materials, consumables, gifts and office equipments (the “**Products**”), which will be used in the sales offices, marketing promotion activities and for office use of RiseSun Holdings Group for a term commencing from the [REDACTED] to December 31, 2022.

For each of the three years ended December 31, 2019, purchases of the Products by RiseSun Holdings Group from us amounted to approximately RMB1.8 million, RMB0.9 million and RMB7.7 million, respectively. The fees paid or payable by RiseSun Holdings Group increased substantially in the year ended December 31, 2019 as compared with the year ended December 31, 2018, mainly due to (i) the well-established relationship between our Group and our major suppliers for the purpose of offering competitive product prices to our customers, which include RiseSun Holding Group; (ii) the increased number of sales offices for RiseSun Development Group which lead to the increased demand of the Products; (iii) the business expansion of our community retail and commercial procurement services which increase the scope of the Products offered to RiseSun Holdings Group. Hence, RiseSun Holdings Group substantially increased their purchase amount in 2019.

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## CONNECTED TRANSACTIONS

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The purchase price payable for the Products shall be determined after arm’s length negotiations with reference to the prevailing market price.

Our Directors estimate that the maximum annual purchase amount pursuant to the Master Sales Agreement for each of the three years ending December 31, 2022 will not exceed RMB20.0 million, RMB26.0 million and RMB33.5 million, respectively. The increase in the annual fee payable by RiseSun Holding Group for the Products is due to the increase of coverage of our Group in supply of the Products for the sales offices of RiseSun Development Group, which is in line with our community retail and commercial procurement services’ business development plan.

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 increase in the number of sales offices for RiseSun Development Group for the three years ending December 31, 2022; and
- the expected increase in demand of RiseSun Holdings Group in the Products for the three years ending December 31, 2022 as a result of its increase in marketing and promotion activities.

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

As each of the applicable ratios under the Listing Rules in respect of the annual caps in relation to the purchases is expected to be over 0.1% but less than 5%, the transactions under the Master Sales Agreement will be exempt from the independent Shareholders’ approval requirement but subject to the reporting, annual review and announcement requirements 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 [●], we entered into a master property management services agreement with RiseSun Real Estate Development (the “**Master Property Management Services Agreement**”), pursuant to which we agreed to provide property management services to RiseSun Development Group and its associates, including but not limited to (i) preliminary planning and design consultancy services; (ii) display units and on-site sales office management services; (iii) property pre-delivery services, including but not limited to property inspection and cleaning before delivery and pre-delivery preparation; and (iv) properties owned or used by RiseSun Development Group and/or its associates, such as unsold property units, car parking lots and commercial properties (the “**Property Management Services**”), for a term commencing from the [REDACTED] to December 31, 2022.

The relevant subsidiaries and associates of RiseSun Real Estate Development and our Group will further enter into individual agreements that prescribe the specific terms and conditions pertaining to each project.

For each of the three years ended December 31, 2019, the total amount of fees payable by the RiseSun Development Group and its associates for the Property Management Services provided by our Group amounted to approximately RMB102.7 million, RMB142.0 million and RMB277.6 million, respectively.

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## CONNECTED TRANSACTIONS

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The fees to be charged for the Property Management Services will be determined after arm's length negotiations and taking into consideration (i) the size, location and positioning of the properties; (ii) the anticipated operational costs (including labor costs, material costs and administrative costs); (iii) fees for similar services and similar types of projects in the market; and (iv) 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 (if applicable) or lower than the standard fees to be charged from Independent Third Parties.

Our Directors estimate that the maximum annual fee payable by RiseSun Development Group and its associates in relation to the Property Management Services to be provided by our Group under the Master Property Management Services Agreement for each of the three years ending December 31, 2022 will not exceed RMB397.5 million, RMB446.6 million and RMB499.6 million, respectively.

In arriving at the above annual caps for the Property Management Services, 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 pursuant to the existing contracts;
- in respect of preliminary planning and design consultancy services, the estimated total GFA of projects to be developed by RiseSun Development Group and its associates for each of the three years ending December 31, 2022, which will be approximately 9,000,000 sq.m., 9,000,000 sq.m., and 9,000,000 sq.m., respectively;
- in respect of pre-delivery services, the estimated total GFA of the property projects expected to be managed by our Group for each of the three years ending December 31, 2022, which will be approximately 7,480,000 sq.m., 7,480,000 sq.m., and 7,480,000 sq.m., respectively, based on the development and delivery plans of RiseSun Development Group and its associates and its land bank as of December 31, 2019;
- in respect of unsold property units and car parking lots management services, the estimated unsold property units and car parking lots to be managed by us based on historical vacancy rates during the Track Record Period and our estimation on the estimated total GFA of the property to be managed by our Group for the three years ending December 31, 2022; and
- in respect of commercial properties management services, the total GFA of commercial properties to be managed by us as estimated based on the existing contracts.

RiseSun Real Estate Development is one of our Controlling Shareholders and therefore a connected person of our Company under 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 the [REDACTED].

As each of the applicable ratios under the Listing Rules in respect of the annual caps in relation to 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 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.

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## CONNECTED TRANSACTIONS

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### 2. Master Small-Scale Engineering and Related Consultancy Services Agreement

On [●], we entered into a master small-scale engineering and related consultancy services agreement with RiseSun Real Estate Development (the “**Master Small-Scale Engineering and Related Consultancy Services Agreement**”), pursuant to which we agreed to provide small-scale engineering and related consultancy services to RiseSun Development Group and its associates, including but not limited to (i) installing security systems before the delivery of the properties, (ii) erecting and dismantling outer fencing for construction sites, (iii) providing preliminary planning and design consultancy services in relation to small-scale engineering in the initial design, construction and post-delivery stages, (iv) construction site drainage services, (v) signboard production and installation, and (vi) after-sales repair services (the “**Small-Scale Engineering and Related Consultancy Services**”), for a term commencing from the [REDACTED] to December 31, 2022.

Relevant members of both parties will enter into individual agreements setting out the specific terms and conditions based on the principles provided in the Master Small-Scale Engineering and Related Consultancy Services Agreement.

For each of the three years ended December 31, 2017, 2018 and 2019, the total amount of fees payable by RiseSun Development Group and its associates for the Small-Scale Engineering and Related Consultancy Services amounted to approximately RMB114.1 million, RMB134.8 million and RMB199.1 million, respectively.

The fees to be charged for the Small-Scale Engineering and Related Consultancy Services will be determined after arm’s length negotiations and taking into consideration (i) the anticipated operational costs (including labor costs and material costs); (ii) the size and location of the properties; and (iii) fees for similar services and similar types of projects in the market.

Our Directors estimate that the maximum annual fee payable by RiseSun Development Group and its associates under the Master Small-Scale Engineering and Related Consultancy Services Agreement for each of the three years ending December 31, 2020, 2021 and 2022 will not exceed RMB325.8 million, RMB378.0 million and RMB438.2 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 in relation to the Small-Scale Engineering and Related Consultancy Services provided by us pursuant to the existing contracts; and
- the estimated number and total GFA of projects to be developed by RiseSun Development Group and/or its associates for the three years ending December 31, 2022.

RiseSun Real Estate Development is one of our Controlling Shareholders and therefore a connected person of our Company under the Listing Rules. Accordingly, the transactions under the Master Small-Scale Engineering and Related Consultancy Services Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon the [REDACTED].

As each of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the Master Small Scale Engineering and Related Consultancy Services Agreement is expected to be more than 5%, the transactions under the Master Small-Scale Engineering and Related Consulting Services Agreement constitute continuing connected transactions for our Company which will be subject to the reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### **(D) APPLICATION FOR WAIVERS**

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

The transactions described under the sub-section entitled “—(C) Continuing Connected Transactions subject to the Reporting, Annual Review, Announcement 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 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 (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in “—(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement” in this section; and (ii) the announcement 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 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).

### **(E) DIRECTORS’ VIEWS**

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described under the sub-sections entitled “—(B) Continuing Connected Transaction 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 transactions under the sub-sections entitled “—(B) Continuing Connected Transaction 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” in this section are fair and reasonable and are in the interests of our Shareholders as a whole.

### **(F) SOLE SPONSOR’S VIEW**

The Sole Sponsor is of the view (i) that the continuing connected transactions described under the sub-sections entitled “—(B) Continuing Connected Transaction subject to the Reporting, Annual Review, Announcement Requirements but exempt from the Independent Shareholders’ Approval Requirement” and the sub-section entitled “—(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.