

## **CONNECTED TRANSACTIONS**

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

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

#### **1. Property Management and Related Services**

On [●], our Company entered into a property management services framework agreement (the “**Property Management Services Framework Agreement**”) with Redco Properties, pursuant to which we agreed to provide various property management and related services to Redco Properties and its subsidiaries, joint ventures and associates including (i) preliminary planning and design consulting services; (ii) sales offices and display units management services; (iii) pre-delivery quality inspection and cleaning services; (iv) property management services for unsold and vacant properties of the Redco Group; and (v) repairs and maintenance services for properties delivered by Redco Group during the warranty period of properties (“**Property Management and Related Services**”) for a term commencing from the [REDACTED] to December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

As the Property Management Services Framework Agreement is a framework agreement, relevant subsidiaries of Redco Properties and relevant members of our Group will enter into separate agreements which will set out the specific terms and conditions according to the principle terms provided in the Property Management Services Framework Agreement.

#### *Historical transaction amounts*

For each of the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021, the total service fees paid by Redco Properties and its subsidiaries, joint ventures and associates to us for the provision of the Property Management and Related Services amounted to approximately RMB27.8 million, RMB57.8 million, RMB65.2 million and RMB44.3 million, respectively.

#### *Annual caps*

Our Directors estimate that the annual service fees in relation to the Property Management and Related Services to be provided under the Property Management Services Framework Agreement for each of the years ending December 31, 2021, 2022 and 2023 will not exceed RMB83.6 million, RMB92.2 million and RMB101.7 million, respectively. The service fees to be charged for the Property Management and Related Services shall be determined with reference to a number of factors, including (i) prevailing market prices (taking into account the location and condition of the relevant properties); (ii) the scope of services; (iii) the anticipated operational costs including but not limited to labor costs, administrative costs and costs of materials; and (iv) historical transaction amounts.

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

- the historical transaction amounts with Redco Properties and its subsidiaries, joint ventures and associates in relation to the Property Management and Related Services during the Track Record Period in particular the transaction amount for the six months ended June 30, 2021 of RMB44.3 million;
- the projected transaction amounts pursuant to existing contracts with Redco Properties and its subsidiaries, joint ventures and associates for which we are engaged to provide the Property Management and Related Services;
- the expected increase in GFA of the properties to be developed by Redco Properties and its subsidiaries, joint ventures and associates for which we anticipate we will be engaged to provide the preliminary planning and design consulting services, the pre-delivery quality inspection and cleaning services, the property management services to unsold and vacant properties as well as the repair and maintenance services, which has been estimated based on the land bank of Redco Properties and the expected development and delivery schedules and contracted sales of Redco Properties and its subsidiaries, joint ventures and associates;
- the expected increase in the number of sales offices and display units for which we anticipate we will be engaged to provide sales offices and display units management services for which was estimated based on the land bank of Redco Properties and the expected development schedules of Redco Properties and its joint ventures and associates; and
- the expected fee rate to be charged for the Property Management and Related Services for the three years ending December 31, 2023, which is expected to remain unchanged.

### *Implications under the Listing Rules*

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

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As one or more of the applicable percentage ratios in respect of the annual caps for each of the three years ending December 31, 2023 in relation to the Property Management Services Framework Agreement is expected to be more than 5% on an annual basis, such transactions will constitute continuing connected transactions for our Company that will be subject to the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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### 2. Carpark Sales Agency Services

On [●], our Company entered into a carpark sales agency services framework agreement (the “**Carpark Sales Agency Services Framework Agreement**”) with Redco Properties, pursuant to which we agreed to provide carpark sales agency services to Redco Group, including but not limited to acting as sales and leasing agent for carparks of Redco Group (“**Carpark Sales Agency Services**”) for a term commencing from the [REDACTED] to December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

As the Carpark Sales Agency Services Framework Agreement is a framework agreement, relevant subsidiaries of Redco Properties and relevant members of our Group will enter into separate agreements which will set out the specific terms and conditions according to the principle terms provided in the Carpark Sales Agency Services Framework Agreement.

#### *Historical transaction amounts*

For each of the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021, the total service fees paid by Redco Group to us for provision of the Carpark Sales Agency Services amounted to approximately RMB1.9 million, RMB8.4 million, RMB2.4 million, and RMB1.2 million, respectively.

#### *Annual caps*

Our Directors estimate that the annual service fees in relation to the Carpark Sales Agency Services to be provided under the Carpark Sales Agency Services Framework Agreement for each of the years ending December 31, 2021, 2022 and 2023 will not exceed RMB12.4 million, RMB12.4 million and RMB12.4 million, respectively. The service fees to be charged for the Carpark Sales Agency Services shall be determined with reference to a number of factors, including (i) prevailing market rates; and (ii) the anticipated operational costs including but not limited to labor costs and administrative costs for providing such services.

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

- the expected number of car parking spaces to be sold for the three years ending December 31, 2023 with reference to our existing signed contracts with Redco Group for the Carpark Sales Agency Services and our estimation of the delivery schedule of Redco Group;
- the estimated sales price of car parking spaces developed by the Redco Group; and
- the estimated agency fee charged for each car parking space with reference to the historical agency fee charged by our Group.

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### *Implications under the Listing Rules*

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

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual caps for each of the three years ending December 31, 2023 in relation to the Carpark Sales Agency Services Framework Agreement is expected to be more than 5% on an annual basis, such transactions will constitute continuing connected transactions for our Company that will be subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **3. Healthcare Services**

On [●], our Company entered into a healthcare services framework agreement (the “**Healthcare Services Framework Agreement**”) with Redco Properties, for a term commencing from the [REDACTED] to December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the Healthcare Services Framework Agreement, Redco Properties agreed to procure from us, and we agreed to provide, healthcare services to the owners, occupants or residents of certain residential properties developed by Redco Properties and its subsidiaries, including but not limited to healthcare consultancy, nutrition, health assessment and health management services (“**Healthcare Services**”). Based on the terms of the existing arrangements between our Group and Redco Group prior to the entering of the Healthcare Services Framework Agreement, Redco Group purchased from our Group healthcare services cards at a price of RMB3,000 per household, which were gifted by Redco Group to its property purchase customers as a home purchase offer being part of the marketing activities of Redco Group. Each healthcare services card was non-transferable and entitled the household of the property purchase customer to use the Healthcare Services provided by the Group within a three-year period. The agreement for the provision of the Healthcare Services to the property purchase customers of Redco Group was solely between Redco Group and our Group and there was no separate agreement between Redco Group and its property purchase customers in respect of the provision of the Healthcare Services. However, Redco Group would inform its property purchase customers verbally at the time of gifting the healthcare services cards as to the service period and other details.

As the Healthcare Services Framework Agreement is a framework agreement, relevant subsidiaries of Redco Properties and relevant members of our Group will enter into separate agreements which will set out the specific terms and conditions according to the principle terms provided in the Healthcare Services Framework Agreement.

### *Historical transaction amounts*

We started to provide the Healthcare Services to Redco Group in the first half on 2021. For each of the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021, the total service fees paid by Redco Group to us for provision of the Healthcare Services

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amounted to nil, nil, nil and approximately RMB7.6 million, respectively. From 2018 to 2020, there was no historical transaction amount for our Group, as the companies of our Group now engaged in the provision of the healthcare services were acquired from TGI and were only included in the financial statements of the Group from the date of the acquisition of their offshore holding company which was December 30, 2020, based on the acquisition method of accounting which is used to account for business combinations our Group.

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### *Annual caps*

Our Directors estimate that the annual service fees in relation to the Healthcare Services to be paid under the Healthcare Services Framework Agreement for each of the years ending December 31, 2021, 2022 and 2023 will not exceed RMB19.0 million, RMB22.8 million and RMB27.4 million, respectively. The service fees to be charged for the Healthcare Services shall be determined with reference to, among others, (i) prevailing market prices (taking into account the services provided by other providers); (ii) the scope of services; and (iii) the anticipated operational costs including but not limited to labor costs and administrative costs.

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

- the historical revenue from healthcare services provided by Shenzhen Redco Health, the PRC holding company of our Group of our healthcare services business, and its subsidiaries, based on the unaudited management accounts of Shenzhen Redco Health during the Track Record Period;
- the increase in the expected number of households which Redco Group is expected to provide our Healthcare Services to its property purchaser customers as home purchase offers, which has been estimated based on (i) the existing contracts under which we are engaged to provide Healthcare Services to the households which have received home purchase offers from Redco Group; and (ii) the estimated number of households of the property projects to be developed by Redco Group for which we anticipate we will be engaged to provide the Healthcare Services in relation to the home purchase offers; and
- the estimated number of new Yearning Health Centers to be established through which we will have increased capacity to provide the Healthcare Services to an increasing number of households. We plan to open ten and 11 Yearning Health Centers in 2022 and 2023, respectively.

### *Implications under the Listing Rules*

Redco Properties is one of our Controlling Shareholders and therefore a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the Healthcare Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual caps for each of the three years ending December 31, 2023 in relation to the Healthcare Services Framework Agreement is expected to be more than 5% on an annual basis, such transactions will constitute continuing connected transactions for our Company that will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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### 4. Information Technology Services

On [●], our Company entered into an information technology framework agreement (the “**Information Technology Services Framework Agreement**”) with Redco Properties, pursuant to which we agreed to provide information technology services to Redco Properties and its subsidiaries, including but not limited to the design and development of smart software and hardware primarily applied in property development for different projects developed by Redco Group (“**Information Technology Services**”) for a term commencing from the [REDACTED] to December 31, 2023, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

As the Information Technology Services Framework Agreement is a framework agreement, relevant subsidiaries of Redco Properties and relevant members of our Group will enter into separate agreements which will set out the specific terms and conditions according to the principle terms provided in the Information Technology Services Framework Agreement.

#### *Historical amounts*

We started to provide the Information Technology Services to Redco Group in the first half on 2021. For each of the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021, the total service fees paid by Redco Group to us for provision of the Information Technology Services amounted to nil, nil, nil and approximately RMB10.5 million, respectively. From 2018 to 2020, there was no historical transaction amount for our Group, as the company engaged in provision of information technology services was acquired from Hong Kong Wealth Properties Company Limited and was only included in the financial statements of our Group from the date of the acquisition which was December 17, 2020, based on the acquisition method of accounting which is used to account for business combinations by our Group.

#### *Annual caps*

Our Directors estimate that the annual service fees in relation to the Information Technology Services to be provided under the Information Technology Services Framework Agreement for each of the years ending December 31, 2021, 2022 and 2023 will not exceed RMB14.4 million, RMB16.0 million and RMB19.3 million, respectively. The service fees to be charged for the Information Technology Services shall be determined with reference to a number of factors, including (i) the operation cost (including labor costs and hardware purchase cost) for the provision of the Information Technology Services, and (ii) prevailing market rate for similar information technology services.

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

- the historical revenue generated by Zhongtian Yunlian through which we now conduct our information technology business, based on the unaudited management accounts of Zhongtian Yunlian during the Track Record Period;



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- the expected increment in the operational costs for the provision of the Information Technology Services for the three years ending December 31, 2023; and

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- the increase in the expected number of projects which require our Information Technology Services, which has been estimated based on (i) the existing number of contracts under which we are engaged to provide Information Technology Services to the projects developed by Redco Group; and (ii) the projects to be developed by Redco Group for which we anticipate we will be engaged to provide the Information Technology Services.

### *Implication under the Listing Rules*

Redco Group is our Controlling Shareholder and therefore is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions contemplated under the Information Technology Services Framework Agreement will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon [REDACTED].

As one or more of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the annual caps for each of the three years ending December 31, 2023 in relation to the Information Technology Services Framework Agreement is expected to be more than 5% on an annual basis, such transactions will constitute continuing connected transactions for our Company that will be subject to the reporting, annual review, announcement, circular and the independent Shareholders’ approval requirement under Chapter 14A of the Listing Rules.

### **APPLICATION FOR WAIVER**

The transactions described in “— 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] us, waivers exempting us from strict compliance with 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 “— 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).

### **DIRECTORS’ VIEWS**

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described in “— 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; 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 transactions in “— 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.

### **SOLE SPONSOR’S VIEW**

The Sole Sponsor is of the view (i) that the continuing connected transactions described in “— 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, 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.