

CONNECTED TRANSACTIONS

OVERVIEW

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 are expected to continue after [REDACTED] and will constitute our continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED].

CONNECTED PERSONS

Upon [REDACTED], the following parties with whom we have entered into certain transactions in our ordinary and usual course of business will become our connected persons:

<u>Name</u>	<u>Relationship</u>
Runhua Group Company	Runhua Group Company is owned as to approximately 52% by Mr. Luan and therefore is an associate of Mr. Luan
Hang Qian Holdings	Hang Qian Holdings is wholly owned by Mr. HQ Luan and therefore is an associate of Mr. HQ Luan
Runhua Insurance	Runhua Insurance is owned by Mr. Luan as to approximately 50.42% and therefore is an associate of Mr. Luan. Runhua Insurance is also owned as to approximately 21.57%, 21.19% and 6.19% by Mr. HQ Luan, Jinan Defang Investment Partnership (Limited Liability Partnership) (濟南德方投資合夥企業 (有限合夥)) (“ Jinan Defang ”) and Jinan Huiduo Business Consulting Partnership (Limited Liability Partnership) (濟南匯鐸商務諮詢合夥企業 (有限合夥)) (“ Jinan Huiduo ”) respectively. As Mr. HQ Luan is the managing partner of Jinan Defang and Jinan Huiduo and controls more than 30% of the same, Runhua Insurance is therefore also an associate of Mr. HQ Luan.

SUMMARY OF OUR CONNECTED TRANSACTIONS

The table below sets out a summary of transactions which will constitute continuing connected transactions upon [REDACTED]:

<u>No.</u>	<u>Connected transactions</u>	<u>Applicable rules</u>	<u>Waivers sought</u>	<u>Proposed annual caps for the years ending 31 December 2022, 2023 and 2024</u> <i>(RMB)</i>
Fully exempt continuing connected transactions				
1.	Trademark Licensing Agreement	14A.34, 14A.52, 14A.53 and 14A.76	N/A	N/A
2.	Property Rental Framework Agreement	14A.34, 14A.52, 14A.53 and 14A.76	N/A	N/A

CONNECTED TRANSACTIONS

No.	Connected transactions	Applicable rules	Waivers sought	Proposed annual caps for the years ending 31 December 2022, 2023 and 2024 (RMB)
3.	Property Leasing Framework Agreement	14A.34, 14A.52, 14A.53 and 14A.76	N/A	N/A
4.	Master Software Licensing and Technical Support Agreement	14A.34, 14A.52, 14A.53 and 14A.76	N/A	N/A
Non-exempt continuing connected transactions				
5.	Property Management Services Framework Agreement	14A.34, 14A.35, 14A.36, 14A.49, 14A.52, 14A.53, 14A.71 and 14A.105	Announcement, circular and independent shareholders’ approval requirements	2022: RMB35.3 million 2023: RMB40.1 million 2024: RMB40.9 million
6.	Master Property Engineering and Landscape Construction Agreement	14A.34, 14A.35, 14A.36, 14A.49, 14A.52, 14A.53, 14A.71 and 14A.105	Announcement, circular and independent shareholders’ approval requirements	2022: RMB23.2 million 2023: RMB25.3 million 2024: RMB25.8 million

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Trademark Licensing Agreement

On [*] 2022, our Company (for ourselves and on behalf of our subsidiaries), entered into a trademark licensing agreement with Runhua Group Company (the “**Trademark Licensing Agreement**”), pursuant to which Runhua Group Company agreed to irrevocably and unconditionally grant us a licence to use certain trademarks owned by them in the PRC (the “**Licensed Trademarks**”) on a royalty-free basis, for a perpetual term commencing from the date of the Trademark Licensing Agreement, which is subject to the renewal of the Licensed Trademarks. For details of the Licensed Trademarks, please refer to the paragraph headed “B. Further Information about our Business — 2. Intellectual property rights” in Appendix V to this document.

Our Directors consider that entering into the Trademark Licensing Agreement with a term of more than three years is reasonable and justifiable to ensure the stability of our operations, and is beneficial to the interests of our company and our Shareholders as a whole. The Sole Sponsor is of the view that it is normal business practise for agreement of this type to be of a duration of longer than three years.

CONNECTED TRANSACTIONS

As of the Latest Practicable Date, Runhua Group Company is a company owned as to approximately 52% by Mr. Luan. Accordingly, Runhua Group Company is our connected persons under Rules 14A.07(1), 14A.07(4) and 14A.13(1) of the Listing Rules. The transactions contemplated under the Trademark Licensing 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 our Group on a royalty-free basis, the transactions contemplated under the Trademark Licensing 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 Rental Framework Agreement

On [*] 2022, our Company entered into a property rental agreement with Runhua Group Company and Hang Qian Holdings pursuant to which our Company agreed to rent certain properties from Runhua Group and Hang Qian Holdings and their associates for the use of office or sub-leasing to independent third parties (the “**Property Rental Framework Agreement**”). The pricing policy shall be negotiated between Runhua Group Company, Hang Qian Holdings and our Group at arm’s length basis on normal commercial terms, with reference to similar properties of size, location, terms (including rental rate) and prevailing market conditions in the region. The initial term of the Property Rental Framework Agreement will commence on the [REDACTED] and end on 31 December 2023, and will be automatically renewed for a further term of three years unless otherwise agreed between parties thereto. The parties and their respective associates could enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Property Rental Framework Agreement. The Property Rental Framework Agreement will not apply to properties that are no longer held by our Group from time to time.

Reasons for the Transactions

Members of the Runhua Group have historically rented properties to us for use of office or sub-leasing to independent third parties, and we expect that we will continue to rent such properties from members of the Runhua Group after [REDACTED]. Relocating our offices to other premises or cancellation of sub-leasing to independent third parties will cause unnecessary disruptions to our normal business operation and incur unnecessary costs.

Listing Rules Implication

Runhua Group Company is a company owned as to approximately 52% by Mr. Luan while Hang Qian Holdings is wholly owned by Mr. HQ Luan. Accordingly, Runhua Group Company and Hang Qian Holdings are our connected persons under Rules 14A.07(1), 14A.07(4) and 14A.13(1) of the Listing Rules. The transactions contemplated under the Property Rental Framework Agreement will be conducted in the ordinary and usual course of business on normal commercial terms. As all of the percentage ratios (other than the profit ratio) used to calculate the threshold for continuing connected transactions under the Listing Rules for the above transactions will be less than 5% and the annual consideration is less than HK\$3,000,000 and therefore such transactions are *de minimis* transactions and will be exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Rule 14A.76(1) of the Listing Rules.

CONNECTED TRANSACTIONS

3. Property Lease Framework Agreement

On [*] 2022, our Company entered into a property lease framework agreement with Runhua Group Company pursuant to which the Company agreed to lease certain properties to any members of the Runhua Group and its associates for the use of office or commercial activities (the “**Property Lease Framework Agreement**”). The pricing policy shall be negotiated between Runhua Group Company and our Group at arm’s length basis on normal commercial terms, with reference to similar properties of size, location and prevailing market conditions in the region. The initial term of the Property Leasing Framework Agreement will commence on the [REDACTED] and end on 31 December 2023. Both parties and their respective subsidiaries or associates could enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the Property Leasing Framework Agreement.

Reasons for the Transactions

Members of the Runhua Group have historically rented properties owned by us for office or commercial activities, and we expect that we will continue to lease such properties to members of the Runhua Group after [REDACTED].

Listing Rules Implication

Runhua Group Company is a company owned as to approximately 52% by Mr. Luan and is therefore our connected person under Rules 14A.07(1), 14A.07(4) and 14A.13(1) of the Listing Rules. The transactions contemplated under the Property Lease Agreement will be conducted in the ordinary and usual course of business on normal commercial terms. As all of the percentage ratios (other than the profit ratio) used to calculate the threshold for continuing connected transactions under the Listing Rules for the above transactions will be less than 5% and the annual consideration is less than HK\$3,000,000 and therefore such transactions are *de minimis* transactions and will be exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Rule 14A.76(1) of the Listing Rules.

4. Master Software Licensing and Technical Support Agreement

On [*] 2022, our Company entered into a master software licensing and technical support agreement with Runhua Group Company pursuant to which the Company has agreed to provide software licensing and technical support including upgrading and maintenance of softwares to any members of Runhua Group and its associates for their systems (the “**Master Software Licensing and Technical Support Agreement**”). The pricing policy shall be negotiated between Runhua Group Company and its associates and our Group at arm’s length basis, with reference to market prices (including but not limited to factors such as the geographical location required for the technical support, the manpower and the labour costs required for the software development and technical support, and whether the staff is required to have any qualifications in upgrading and maintenance the specific software) or normal commercial terms of transactions with independent third parties. The initial term of the the Master Software Licensing and Technical Support Agreement will commence on the [REDACTED] and end on 31 December 2023. Both parties and their respective associates could enter into separate underlying agreements which will set out the specific terms and conditions according to the principles provided in the master software licensing and technical support agreement.

CONNECTED TRANSACTIONS

Reasons for the Transactions

Kaidi Network is principally engaged in development of information technology and application software and provision of system integration services, etc. Members of Runhua Group Company have historically purchased the software and technical support services from Kaidi Network to facilitate its daily operation during ordinary business, and we expect that we will continue to meet the above business needs of the members of the Runhua Group after [REDACTED].

Listing Rules Implication

Runhua Group Company is a company owned as to approximately 52% by Mr. Luan and is therefore our connected person under Rules 14A.07(1), 14A.07(4) and 14A.13(1) of the Listing Rules. The transactions contemplated under the Master Software Licensing and Technical Support Agreement will be conducted in the ordinary and usual course of business on normal commercial terms (or terms that are better to us). As all of the percentage ratios (other than the profit ratio) used to calculate the threshold for continuing connected transactions under the Listing Rules for the above transactions will be less than 5% and the annual consideration is less than HK\$3,000,000 and therefore such transactions are *de minimis* transactions and will be exempted from the reporting, annual review, announcement and independent shareholders’ approval requirements under Rule 14A.76(1) of the Listing Rules.

If the relevant percentage ratio(s) calculated based on the consideration of the aforementioned fully exempt continuing connected transactions exceeds the *de minimis* threshold stipulated under the Listing Rules, we will comply with the applicable requirements thereunder.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

5. Property Management Services Framework Agreement

Our Group has been providing certain property management services to the associated companies of our Controlling Shareholders during the Track Record Period and up to the Latest Practicable Date. In contemplation of [REDACTED], on [*] 2022, our Company entered into a property management services framework agreement (the “**Property Management Services Framework Agreement**”) with Runhua Group Company, Hang Qian Holdings and Runhua Insurance, pursuant to which we agreed to provide the property management services to Runhua Group Company, Hang Qian Holdings and Runhua Insurance and their respective associates (the “**Parties to the Property Management Services Framework Agreement**”), including but not limited to (i) cleaning and disinfection services; (ii) security services; (iii) general repair and maintenance services; and (iv) customers services, commencing from the [REDACTED] to 31 December 2024.

Runhua Group Company, Hang Qian Holdings and Runhua Insurance and their respective associates and our Group will further enter into individual agreements that prescribe the specific terms and conditions pertaining to each project. The parties and their respective associates will enter into separate subsidiary agreements setting out the specific terms and conditions (including the fees of the products and/or services and payment methods) in respect of the relevant services based on the principles under the Property Management Services Framework Agreement.

CONNECTED TRANSACTIONS

Reasons for and benefits of the transaction

Our Group is principally engaged in providing property management service, whereas the Parties to the Property Management Services Framework Agreement are principally engaged in, among other things, sale and service of motor vehicles, car rental, finance investment, pharmaceutical and other comprehensive business and property development business and thus have business demand on our property management service. Through the cooperation between the Parties to the Property Management Services Framework Agreement and us in respect of the provision of property management services, it is expected that our Group could leverage on the business needs from the Parties to the Property Management Services Framework Agreement and our collaboration may bring synergy into full play and share development achievements of both parties.

Pricing policy

The prices/rates of the provision of services charged by our Group will be determined on the basis of arm’s length negotiations between the relevant parties, taking into account: (i) the types and locations of the properties; (ii) the scope, quality and staffing numbers of our services; (iii) our estimated costs and expenses; (iv) our target profit margins; (v) the local government’s guidance price on property management fees (where applicable); (vi) the pricing of comparable properties; (vii) our competitors’ quotations; and (viii) the potential growth of the overall business of our Group. In determining the prevailing market price/rate, our Group will consider quotes offered to the independent third parties for services of the same or similar quality for comparison from time to time.

Historical transaction amounts

The historical transaction amounts between the Parties to the Property Management Services Framework Agreement and our Group for FY2019, FY2020, FY2021 and 1H2022 are approximately RMB26.3 million, RMB32.2 million, RMB32.5 million and RMB15.76 million respectively.

Annual caps and basis of determination

The annual caps of the fees payable to our Group by the Parties to the Property Management Services Framework Agreement for the three years ending 31 December 2024 are set as 10% above the forecast revenue under the Property Management Services Framework Agreement (the “**Property Management Services Framework Agreement Annual Cap Buffer**”) and shall not exceed RMB35.3 million, RMB40.1 million and RMB40.9 million, respectively.

The increase of RMB2.8 million from transaction amount of RMB32.5 million for FY2021 to the annual cap of the Property Management Services Framework Agreement of RMB35.3 million for FY2022 is mainly due to: (i) the expected addition of new property management projects (the “**New Automobile Sales Stores Property Management Projects**”) for four new automobile sales stores from the Parties to the Property Management Services Framework Agreement commencing in the third and fourth quarters of 2022; (ii) the expected addition of a new property development project from the Parties to the Property Management Services Framework Agreement; and (iii) the Property Management Services Framework Agreement Annual Cap Buffer when calculating the annual cap for FY2022.

CONNECTED TRANSACTIONS

The increase in annual cap of the Property Management Services Framework Agreement by RMB4.8 million from RMB35.3 million for the year ending 31 December 2022 to RMB40.1 million for the year ending 31 December 2023 is mainly due to: (i) the increase in the revenue expected to be generated by the New Automobile Sales Stores Property Management Projects; (ii) the expected industry growth rate at a CAGR of approximately 14.1% from 2021 to 2026, according to the F&S Report; and (iii) the Property Management Services Framework Agreement Annual Cap Buffer when calculating the annual cap for the year ending 31 December 2023.

As a summary, on arriving at the above annual caps for the Property Management Services Framework Agreement, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- (i) the historical transaction amounts and growth trend during the Track Record Period;
- (ii) the volume of the current property management services that the Parties to the Property Management Services Framework Agreement require from our Group will remain steady;
- (iii) the estimated transaction amounts of property management services for the years ending 31 December 2022, 2023 and 2024, taking into account, among others, the additional revenue of approximately RMB758,000, RMB1.9 million and RMB1.9 million to be generated from providing property management services to the New Automobile Sales Stores Property Management Projects for each of the year ending 31 December 2022, 2023 and 2024 based on their development progress;
- (iv) the decrease in the expected revenue of property management services of approximately RMB1.3 million and RMB533,000 for the year ending 31 December 2023 and 31 December 2024 respectively as a result of the handover of certain residential properties from the Parties to the Property Management Services Framework Agreement to independent third parties;
- (v) our historical success in securing property management projects for the properties operated/developed by the Parties to the Property Management Services Framework Agreement;
- (vi) our historical success in renewing all property management projects with the Parties to the Property Management Services Framework Agreement;
- (vii) other factors including that the total revenue of property management services in the PRC is expected to grow at a CAGR of 14.1% from 2021 to 2026, according to the F&S Report and the inflation rate in the year ending 31 December 2023 and 2024; and
- (viii) the Property Management Services Framework Agreement Annual Cap Buffer when calculating the annual caps for the year ending 31 December 2022, the year ending 31 December 2023 and the year ending 31 December 2024.

Listing Rule Requirements

Runhua Group Company is a company owned as to approximately 52% by Mr. Luan, Hang Qian Holdings is wholly owned by Mr. HQ Luan, while Runhua Insurance is indirectly owned by Mr. Luan and

CONNECTED TRANSACTIONS

Mr. HQ Luan. Accordingly, Runhua Group Company, Hang Qian Holdings and Runhua Insurance are our connected persons under Rules 14A.07(1), 14A.07(4) and 14A.13(1) 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]. As each of the applicable ratios under the Listing Rules in respect of the annual caps in relation to the Property Management Services Framework Agreement is expected to be more than 5% on an annual basis, the transactions under the Property Management Services Framework 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.

6. Master Property Engineering and Landscape Construction Agreement

On [*] 2022, our Company entered into a master property engineering and landscape construction agreement with Runhua Group Company and Hang Qian Holdings (the “**Master Property Engineering and Landscape Construction Agreement**”), pursuant to which we agreed to provide property engineering and landscape construction services to Runhua Group Company and Hang Qian Holdings and their respective associates (the “**Parties to the Master Property Engineering and Landscape Construction Agreement**”), including but not limited to (i) provision of landscape maintenance work services and (ii) repair and maintenance services, interior renovation services, alteration and additional of existing buildings and facilities and installation of elevators commencing from the [REDACTED] to 31 December 2024.

The Parties to the Master Property Engineering and Landscape Construction Agreement and our Group will further enter into individual agreements that prescribe the specific terms and conditions pertaining to each project. The parties and their respective associates will enter into separate subsidiary agreements setting out the specific terms and conditions (including the fees of the products and/or services and payment methods) in respect of the relevant services based on the principles under the Master Property Engineering and Landscape Construction Agreement.

Pricing policy

The prices/rates of the provision of services charged by our Group will be determined on the basis of arm’s length negotiations between the relevant parties, taking into account: (i) the complexity, size, scope and quality of our services; (ii) our estimated costs and expenses; (iii) our target profit margins; (iv) the completion time required by its clients; (v) the local government’s guidance price on property engineering and landscape construction fees (where applicable); and (vi) the potential growth of the overall business of our Group.

Historical transaction amounts

The historical transaction amounts between the Parties to the Master Property Engineering and Landscape Construction Agreement and our Group for FY2019, FY2020, FY2021 and 1H2022 are approximately RMB11.8 million, RMB62.5 million, RMB38.9 million and RMB4.04 million, respectively.

Annual caps and basis of determination

The annual caps of the fees payable to our Group by the Parties to the Master Property Engineering and Landscape Construction Agreement for the three years ending 31 December 2024 under the Master Property

CONNECTED TRANSACTIONS

Engineering and Landscape Construction Agreement are set as 10% above the forecast revenue under the Master Property Engineering and Landscape Construction Agreement and shall not exceed, RMB23.2 million, RMB25.3 million and RMB25.8 million, respectively.

The decrease by RMB15.7 million from the transaction amount of RMB38.9 million for FY2021 to the annual cap of RMB23.2 million for FY2022 is due to the substantial completion of (i) a decoration project for apartments of the XTJD Project; and (ii) a landscape services project for the project located in south of Taiping Henan Road, north of Hongxi Ganqu, Huaiyin District in FY2021, resulting in a decrease in the transaction amounts generated from these projects at in FY2022.

The increase of annual cap of RMB2.1 million from RMB23.2 million for FY2022 to RMB25.3 million for the year ending 31 December 2023 is mainly due to the increase in the expected transaction amount generated from a hospital project at Plot B of the XTJD Project.

In arriving at the above annual caps for the Master Property Engineering and Landscape Construction Agreement, our Directors have considered the following factors which are considered to be reasonable and justifiable in the circumstances:

- (i) the historical transaction amounts and growth trend during the Track Record Period;
- (ii) the remaining contract value for services to be rendered under the eight projects engaged by the Parties to the Master Property Engineering and Landscape Construction Agreement to provide property engineering and landscape construction services as at 30 April 2022;
- (iii) based on the communication between our Group and the Parties to the Master Property Engineering and Landscape Construction Agreement, two additional property engineering and landscape construction projects with a total contract sum of approximately RMB3.0 million and RMB23 million which are expected to be granted to our Group in FY2022 and the year ending 31 December 2023;
- (iv) the expected schedule of the above existing and new projects to the best knowledge and information of our Directors;
- (v) our historical success in securing property engineering and landscape construction projects from the Parties to the Master Property Engineering and Landscape Construction Agreement; and
- (vi) the inflation rate in the year ending 31 December 2023 and 2024.

Listing Rule Requirements

Runhua Group Company is a company owned as to approximately 52% by Mr. Luan, while Hang Qian Holdings is wholly owned by Mr. HQ Luan. Accordingly, Runhua Group Company and Hang Qian Holdings are our connected persons under Rules 14A.07(1), 14A.07(4) and 14A.13(1) of the Listing Rules. Accordingly, the transactions under the Master Property Engineering and Landscape Construction 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

CONNECTED TRANSACTIONS

Property Engineering and Landscape Construction Agreement is expected to be more than 5% on an annual basis, the transactions under the Master Property Engineering and Landscape Construction 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.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the continuing connected transactions are fair and reasonable, and relevant framework agreements for are carried out under normal commercial terms, we have adopted the following internal control procedures:

- the Board and internal departments of the Company regularly monitor to ensure its compliance of Listing Rules and transaction updates under the agreements. In addition, the management of the Company also regularly reviews the pricing policies of the framework agreements;
- when considering the rents, products fees, service fees, and other fees provided by us to the connected persons and we will charge the connected persons, the Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between the Company and independent third parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favourable than those offered to independent third parties; and
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the continuing connected transactions are conducted in accordance with the terms of the agreements, on normal commercial terms, in accordance with the pricing policy, are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION BY DIRECTORS

The Directors (including independent non-executive Directors) are of the view that the non-exempt continuing connected transactions set out above have been and will continue to be carried out in the ordinary and usual course of business of our Company and are on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

SOLE SPONSOR’S CONFIRMATION

The Sole Sponsor is of the view that the non-exempt continuing connected transactions set out above have been and will continue to be carried out in the ordinary and usual course of business of our Company and are on normal commercial terms, fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and our Shareholders as a whole.

CONNECTED TRANSACTIONS

WAIVERS FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS GRANTED BY THE STOCK EXCHANGE

As we expect such non-exempt continuing connected transactions under the Property Management Services Framework Agreement and Master Property Engineering and Landscape Construction Agreement will continue on a recurring and continuing basis, our Directors (including the independent non-executive Directors) consider that strict compliance with the above announcement, circular and independent shareholders’ approval requirements (as the case may be) would add unnecessary administrative costs and would be unduly burdensome.

Accordingly, the Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] the Company, a waiver under Rule 14A.105 of the Listing Rules from strict compliance with the announcement, circular and the independent shareholders’ approval (if applicable) requirements in respect of the non-exempt continuing connected transactions under the Property Management Services Framework Agreement and Master Property Engineering and Landscape Construction Agreement, subject to the condition that the total amount of transactions for each of the three years ending 31 December 2022, 2023 and 2024, respectively, shall not exceed the proposed caps as set out above.

If any terms of the transactions contemplated under the abovementioned agreements are altered or if our Company enters into any new agreements with any connected persons 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.