Pursuant to Chapter 14A of the Listing Rules, the following transaction that we entered into with our connected persons will constitute connected transaction upon the [**REDACTED**].

## OUR CONNECTED PERSONS

The table below sets forth parties who will become our connected persons upon [**REDACTED**] and the nature of their relationship with our Company. We have entered into certain transaction which will constitute our continuing connected transaction following the [**REDACTED**] with the following connected persons:

| **Name** | **Connected relationship** |
|---|---|
| Domino's Pizza, Inc. | Domino's Pizza, Inc. (NYSE: DPZ) is a substantial shareholder of our Company |
| Associates of Domino's Pizza, Inc. | Including but not limited to Domino's Pizza International Franchising Inc. ("**DPIF**") and Domino's Pizza Distribution LLC ("**DPD**"), which are subsidiaries of Domino's Pizza LLC. |

## MASTER FRANCHISE ARRANGEMENTS

### Master Franchise Agreement

On June 1, 2017, DPIF (the "**Franchisor**") and Pizzavest China Ltd. (the "**Master Franchisee**"), an indirect wholly-owned subsidiary of our Company, entered into a master franchise agreement pursuant to which the Franchisor granted to the Master Franchisee the exclusive right to develop and operate and to sub-franchise the right to develop and operate Domino's Pizza stores (the "**Stores**", and each a "**Store**") and a license to use and sub-license the use of the Domino's system and the associated trademarks in the operation of the Stores in the PRC (the "**Franchise**"). In return, the Master Franchisee shall pay to the Franchisor (a) a master franchise fee, (b) store franchise fees, and (c) royalty fees, in accordance with the terms of the Master Franchise Agreement.

The term of the Master Franchise Agreement commenced on June 1, 2017 and will expire on June 1, 2027, which may be renewed at our option for two additional 10-year terms, subject to the fulfillment of certain conditions.

### Master Franchise Software License Agreement

Under the terms of the Master Franchise Agreement, the Master Franchisee agrees to use, and to ensure its sub-franchisees use, in the development and operation of the Stores, the management system and computer hardware and software and related technology designated by Franchisor, including that the Franchisor may require the Master Franchisee and its sub-franchisees to acquire, install and continuously use the Domino's Pulse store computer system and to obtain a license to use the software from the Franchisor or its affiliate by signing the standard license agreement. Pursuant to the foregoing, on July 24, 2018, DPD and the Master Franchisee, an indirect wholly-owned subsidiary of our Company, entered into a master franchise software license agreement (the "**Master Franchise Software License Agreement**" together with the Master Franchise Agreement, the "**Master Franchise Arrangements**"). The Company considers the licensing of Domino's Pulse is an integral component of its overall master franchising arrangements with Domino's International, a subsidiary of Domino's Pizza, Inc..

Pursuant to the Master Franchise Software License Agreement, DPD granted to the Master Franchisee a limited, non-exclusive, right to obtain agreements for licensing Domino's Pulse, which is DPD's proprietary point-of-sale system, together with any future developments, enhancements, modifications, new releases and addition, operating manual(s) and guide(s), and any customization thereof, to the Master Franchisee's sub-franchisees for their internal business purposes within the PRC. In return, the Master Franchisee shall pay to DPD software license fees and annual enhancement fees, in accordance with the terms of the Master Franchise Software License Agreement.

The term of the Master Franchise Software License Agreement commenced on July 24, 2018 and will terminate upon the termination of the Master Franchise Agreement or pursuant to other applicable provisions in the Master Franchise Software License Agreement.

### Pricing terms

Pursuant to the Master Franchise Agreement, the Master Franchisee shall pay to the Franchisor the following fees:

(a) a lump sum master franchise fee, which had been paid in full as of December 31, 2021. The Franchisor shall charge no additional master franchise fee is for the remaining term of the Master Franchise Agreement and the two additional 10-year renewal periods.

(b) store franchise fee, which is a one-off fixed fee for the opening of each new Store in the PRC by the Master Franchisee or its sub-franchisees (the "**Store Franchise Fee**"). If the Master Franchisee charges a sub-franchisee a store opening fee in excess of an agreed maximum threshold (the "**Excess Store Franchise Fee**"), the Master Franchisee and the Franchisor shall each be entitled to half of the Excess Store Franchise Fee.

(c) royalty fees, which is a continuing monthly royalty calculated as a fixed low single digit percentage (the "**Royalty Rate**") of all sales by all Stores in the PRC opened and operated by the Master Franchisee or its sub-franchisees for that month. If the Master Franchisee charges a sub-franchisee royalty fees at a royalty rate in excess of an agreed maximum rate (the "**Excess Royalty**"), the Master Franchisee and the Franchisor shall each be entitled to half of the Excess Royalty.

Pursuant to the Master Franchise Software License Agreement, the Master Franchisee shall pay to DPD the following fees:

(a) software license fees, which is a one-off fixed fee for each Store in the PRC in which the software is installed (the "**Software License Fees**"). The fee rate is subject to change on the delivery by DPD to the Master Franchisee a fee change notification.

(b) annual enhancement fees, which is a fixed fee collected from each Store in the PRC, in which the software is installed, 12 months after the installation of the software and each subsequent annual anniversary of the date of installation (the "**Annual Enhancement Fees**"). Stores operating a version of the software equal to (i) two versions or (ii) three or more versions prior to the then current version are subject to an additional fee equal to fifty percent or one hundred percent of the then current annual enhancement fee, respectively.

The fees chargeable under the Master Franchise Arrangements were agreed between the Franchisor (and its affiliates) and Master Franchisee after arm's length negotiation based on a range of factors, including but not limited to the commercial prospects of operating a Store under the brand of Domino's Pizza, our plan to open new Stores in more cities in the PRC and the terms of master franchise arrangements has with its other international master franchisees, and with reference to prevailing market practice for comparable transactions. We believe that the fees chargeable under the Master Franchise Arrangements are fair and reasonable, in line with or more favourable than the fees charged under comparable franchising arrangements between independent third parties and in the interests of our Company and our Shareholders as a whole.

**Annual caps**

Following the [**REDACTED**], the fees payable by us to the Franchisor under the Master Franchise Agreement each year shall consist of the following, which reflects the terms of the Master Franchise Agreement: (a) the aggregate Store Franchise Fees for the new Stores opened in the PRC by the Master Franchisee or its sub-franchisees in that year; (b) the aggregate royalty fees calculated as the product of the Royalty Rate and the sales by all Stores in the PRC opened and operated by the Master Franchisee or its sub-franchisees in that year; (c) if the Master Franchisee charges a sub-franchisee any Excess Store Franchise Fee, half of such Excess Store Franchise Fee; and (d) if the Master Franchisee charges a sub-franchisee any Excess Royalty, half of such Excess Royalty.

Following the [**REDACTED**], the fees payable by us to DPD under the Master Franchise Software License Agreement each year shall consist of the following, which reflects the terms of the Master Franchise Software License Agreement: (a) the aggregate Software License Fees for the Stores opened and which installed the software in that year; and the (b) the aggregate Annual Enhancement Fees for all the Stores operating the software in that year.

For the avoidance of doubt, we did not have any sub-franchisee during the Track Record Period and, as of the date of this document, do not have plans to engage any sub-franchisee.

### Historical amounts

For the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022, the aggregate amounts of fees paid by our Group to Domino's Pizza, Inc.'s group under the Master Franchise Arrangements were approximately RMB39.5 million, RMB50.7 million, RMB114.6 million and RMB29.2 million, respectively. The amounts consist of (a) instalments of master franchise fees of US$2 million, US$2 million, US$10 million and nil paid under the Master Franchise Agreement for the same periods, for which no further amount is payable going forward; (b) store franchise and royalty fees paid under the Master Franchise Agreement of approximately RMB23.7 million, RMB34.4 million, RMB46.8 million and RMB26.4 million for the same periods; and (c) for the same periods, and license and annual enhancement fees paid under the Master Franchise Software License Agreement of approximately RMB2.0 million, RMB2.8 million, RMB3.3 million and RMB2.8 million for the same periods.

### Reasons for the transaction

The Master Franchising Arrangements are expected to be mutually beneficial as it allows the Domino's Pizza brand to enter and expand in the PRC market, leveraging our management expertise and local know-how, and our Group to gain access to customers through a globally well-known brand and well-established business operations system.

### Listing Rules implications

Since the highest of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be 0.1% or more but less than 5%, pursuant to Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the Master Franchise Arrangements will be exempt from the circular (including the opinion and recommendation from an independent financial advisor) and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49, 14A.71 and 14A.72 of the Listing Rules.

## WAIVERS

In respect of the Master Franchise Arrangements, we have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with (i) the requirement to set annual caps under Rule 14A.53 of the Listing Rules during the term of the Master Franchise Arrangements, (ii) the requirement to limit the term to three years or less under Rule 14A.52 of the Listing Rules, and (iii) the announcement requirements pursuant to Rule 14A.105 of the Listing Rules.

### Basis for not setting monetary annual caps

It would be unsuitable to adopt monetary annual caps for the transactions contemplated in the Master Franchise Arrangements for the following reasons:

- The vast majority of the fees paid and to be paid by our Group to the Franchisor under the Master Franchise Agreement is represented by a percentage of the sales by all Stores in the PRC opened and operated by us or our sub-franchisees. Similarly, the fees paid and to be paid by our Group to the Franchisor under the Master Franchise Software Licensing Agreement depends on the number of Stores opened and operated by us or our sub-franchisees in the PRC. It would be impractical to set monetary annual caps which will impose an arbitrary ceiling on our future revenue and store expansion, hence effectively limiting the scale of our business to meet market demands, and hinder our Group's continued growth and expansion;

- The disclosure of any annual caps for the transaction amount under the Master Franchise Arrangements in monetary terms would in effect provide market competitors of our Group with an indication of our Company's estimated revenue and store expansion plan. The disclosure of such information is highly sensitive; and

- Domino's Pizza, Inc. is a listed company on the New York Stock Exchange and the fees payable by our Group under the Master Franchise Agreement contributes to its consolidated revenue. Setting monetary annual caps on the transaction amount with Domino's Pizza, Inc. on a unilateral basis may impact our Group's business relationship with a key business partner and may lead to adverse impact on our business operations.

### Basis for not limiting the term to three years

The Master Franchise Arrangements allows us to open and operate Domino's Pizza stores in the PRC and gain access to customers through a globally well-known brand and a well-established business management system. It is in the interest of our Company and the Shareholders as a whole for us to sustain a long-term and stable cooperation with the Franchisor. It is also the prevailing market practice for a master franchising arrangement to have a term that is significant longer than three years in the catering service industry in China, according to Frost & Sullivan. As such, setting a three-year limit on the term of the Master

Franchise Arrangements would be contrary to the business intention of the parties and create uncertainty over the business operations of our Group as well as unnecessary administrative burden for our Group to seek independent Shareholders' approval every three years.

**Conditions of the waivers**

The Stock Exchange [has granted] us the waivers from strict compliance with the requirement under Rule 14A.52 and Rule 14A.53 of the Listing Rules in respect of the partially-exempt continuing connected transactions under the Master Franchise Agreement subject to the following conditions:

- our Group will re-comply with the relevant requirements under Chapter 14A of the Listing Rules upon the renewal(s) of the Master Franchise Agreement in and after 2027;

- our Group will comply with the announcement requirements under Chapter 14A of the Listing Rules if there is any material change to the terms of the Master Franchise Arrangements; and

- in the event of any future amendments to the Listing Rules imposing more stringent requirements than those as at the date of this document on the above continuing connected transactions, our Group will take immediate steps to ensure compliance with such new requirements.

## DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the continuing connected transaction set out above have been and will be entered into in our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole; and (ii) it is normal business practice for the Master Franchise Arrangements to be of a term greater than three years.

## SOLE SPONSOR'S CONFIRMATION

Based on the above, and the documentation and data provided by the Company and the participation in due diligence and discussion with the Company, and on the basis that (i) the businesses carried out by the Company in respect of which the Master Franchise Agreement was entered into, which are, among other things, developing and operating Domino's Pizza delivery stores in the China mainland, the Hong Kong Special Administrative Region of China and the Macau Special Administrative Region of China, (ii) the nature of the transaction, which is a licensing arrangement to be carried out on a continuing basis to ensure business continuity and (iii) the market practice for similar licensing arrangements of other companies, the Sole Sponsor is of the view that: (i) the continuing connected transaction set out above have been and will be entered into in the Company's ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interest of the Company and its Shareholders as a whole; and (ii) it is normal business practice for the Master Franchise Arrangements to be of a term greater than three years.