

CONNECTED TRANSACTIONS

OUR CONNECTED PERSONS

We have entered into certain transactions in the ordinary and normal course of our business, which will constitute continuing connected transactions under Rule 14A.31 of the Listing Rules following the Listing, with the following connected persons and their associates:

Name of connected person	Relationship with connected person
Mr. Zhou	our substantial Shareholder and one of our Controlling Shareholders
Leju	an associate of E-House (China) Holdings, one of our Controlling Shareholders
TED	an associate of CRE Corp, one of our Controlling Shareholders
Country Garden	our substantial Shareholder
Evergrande	our substantial Shareholder
Vanke	our substantial Shareholder

See the sections headed “Relationship with our Controlling Shareholders” and “History, Reorganisation and Corporate Structure – Pre-IPO Investments” for more information regarding our Controlling Shareholders and substantial Shareholders.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Nature of Transactions	Applicable Listing Rules	Applicable waiver sought	Proposed annual caps for the year ending 31 December (RMB'Million)		
			2018	2019	2020
Partially-exempt continuing connected transactions					
<i>Exempt from the circular and shareholders' approval requirements but subject to the reporting, annual review, and announcement requirements</i>					
Property Leasing Framework Agreement	Rule 14A.35 Rule 14A.53 Rule 14A.76 Rule 14A.105	announcement requirement	40	46	54
Leju Services Framework Agreement	Rule 14A.35 Rule 14A.53 Rule 14A.76 Rule 14A.105	announcement requirement	41	52	64

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Nature of Transactions	Applicable Listing Rules	Applicable waiver sought	Proposed annual caps for the year ending 31 December (RMB'Million)		
			2018	2019	2020
Evergrande Data Consulting Services Framework Agreement	Rule 14A.35 Rule 14A.53 Rule 14A.76 Rule 14A.105	announcement requirement	6	7	10
Vanke Data Consulting Services Framework Agreement	Rule 14A.35 Rule 14A.53 Rule 14A.76 Rule 14A.105	announcement requirement	5	7	9
Country Garden Data Consulting Services Framework Agreement	Rule 14A.35 Rule 14A.53 Rule 14A.76 Rule 14A.105	announcement requirement	5	6	7
TED Event Services Framework Agreement	Rule 14A.35 Rule 14A.53 Rule 14A.76 Rule 14A.105	announcement requirement	8	10	13

Non-exempt continuing connected transactions

Subject to the reporting, announcement, annual review, and shareholders' approval requirements

Country Garden Agency Framework Agreement	Rule 14A.35 Rule 14A.36 Rule 14A.53 Rule 14A.105	announcement and independent Shareholders' approval requirements	230	345	518
Evergrande Agency Framework Agreement	Rule 14A.35 Rule 14A.36 Rule 14A.53 Rule 14A.105	announcement and independent Shareholders' approval requirements	1,900	2,280	2,736
Vanke Agency Framework Agreement	Rule 14A.35 Rule 14A.36 Rule 14A.53 Rule 14A.105	announcement and independent Shareholders' approval requirements	230	345	518

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PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Lease of office premises from associates of Mr. Zhou

The Property Leasing Framework Agreement

On 4 July 2018, our Company (for ourselves and on behalf of our associates) entered into a property leasing framework agreement with Mr. Zhou (on behalf of his associates except for any member of our Group) (the “**Property Leasing Framework Agreement**”). Pursuant to the Property Leasing Framework Agreement, associates of Mr. Zhou will continue to sub-let office premises to our Group and to provide property management services in relation to the sub-let premises. Details of these office premises are as follows:

No	Location	Approximate GFA/Leased Floor Area (square metres)
1	Level 6-11, Qiushi Building, 149 Yanchang Road, Zhabei District, Shanghai, PRC	7,700 (Gross Leasable Area)
2	Unit 1611-1620, 16/F Unit 2, Block 1, 100 Shangdu Road, Zhengdong New District, Zhengzhou City, Henan, PRC	2,100 (GFA)

The Property Leasing Framework Agreement is for a term from the Listing Date to 31 December 2020.

Reasons for the transactions

During the Track Record Period, associates of Mr. Zhou have sub-leased premises to our Group. These sub-leases enable our Group to secure good locations for some of our offices at a fair market price. The continuation of these arrangements will avoid unnecessary disruptions and costs to our business that might be caused by relocation, and will ensure continuity of our operations.

Pricing policy

The annual rent and management fees under the Property Leasing Framework Agreement are determined based on the parties’ arm’s length negotiations with reference to the actual rents, management fees and other utilities charged by the landlord, and the prevailing market rental quotations of similar grade and sized properties within the same building or, if not available, in the same vicinity, from Independent Third Parties.

Historical amount, annual cap, and basis for annual cap

The approximate transaction amounts to associates of Mr. Zhou for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB20.92 million, RMB27.28 million, RMB31.63 million and RMB7.41 million, respectively.

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The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB40 million, RMB46 million, and RMB54 million, respectively.

When estimating the annual caps, our Directors have taken into consideration:

- (i) the aforementioned historical amounts;
- (ii) the expected demand of the Group for leased properties over the next three years;
- (iii) the fees to be paid for sub-leases under existing contracts; and
- (iv) the expectation, based on prevailing market rental rates, that the growth in the rental rate and the management fees for the leased properties will not exceed 6% per year.

Listing Rules implications

The transactions under the Property Leasing Framework Agreement are entered into on normal commercial terms, on terms that are fair and reasonable, and one or more of the applicable percentage ratios in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules will exceed 0.1% but each of the percentage ratios (other than the profits ratio) will be lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions will be exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but will still be subject to the reporting, annual review, and announcement requirements.

Cushman & Wakefield Limited, an independent real estate valuer, has confirmed that the annual rents and management fees payable under the Property Leasing Framework Agreement are at market level reflecting prevailing market rates.

2. Auxiliary real estate services

The Leju Services Framework Agreement

On 4 July 2018, our Company (for ourselves and on behalf of our associates) and Leju (for itself and on behalf of its associates) entered into a framework services agreement (the "**Leju Services Framework Agreement**") pursuant to which we will provide personnel to assist in the sale of discount coupons (which entitle the purchaser to a discount greater than their face value when buying property, thereby encouraging more primary sales) by Leju and its associates in exchange for a commission fee. The Leju Services Framework Agreement has a term from the Listing Date to 31 December 2020.

Reasons for the transactions

Discount coupons support the sale of real estate under our real estate agency services in the primary market and real estate brokerage network services as they offer a discount to purchasers greater than the face value of the coupon. Given the complementary nature of Leju's

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products with our real estate agency services in the primary market and real estate brokerage network services, we expect that we will continue to provide marketing and sales services to Leju and its associates following the Listing.

Pricing policy

The commission fee charged by our Group in relation to the marketing and sales services provided to Leju and its associates shall be determined between the relevant parties on an arms-length basis. The average commission rate shall remain stable and in line with the average commission rate charged by other comparable marketing and sales service providers. In each instance, we will assess the business capacity of our Group and compare the commission fees we propose with the rates offered by other comparable marketing and sales service providers, with reference to the number of personnel requested, the duration of the promotional period and the extent of services provided by our staff. The actual amount of commission fees we receive will be based on the number and value of sales generated by our employees.

Historical amount, annual cap, and basis for annual cap

The total commission fees payable to our Group by Leju and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB27.37 million, RMB14.91 million, RMB27.52 million and RMB4.14 million, respectively. The decrease in commission fee payable to the our Group by Leju and its associates for year ended 31 December 2016 was due to the tightening of government policies in China in 2016 and the impact on Leju's e-commerce and online advertising businesses. However, the market normalised and Leju's business regained its momentum in 2017, which resulted in an increase in the commission fee payable to our Group by Leju and its associates for year ended 31 December 2017.

The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB41 million, RMB52 million, and RMB64 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the aforementioned historical amounts;
- (ii) the expected growth in the performance of the primary real estate sector;
- (iii) the year-on-year increase of 40% of Leju's revenue from e-commerce services (primarily generated from the sale of discount coupons) for the three months ended 31 March 2018, and Leju's revenue recorded in the first quarter usually represents 15%-20% of the total revenue of the year; and
- (iv) our expected growth in sales with Leju of between 25-50% per year, taking into consideration of (a) an increase in the number of Fangyou branded stores of between 50-100% per year, and (b) an increase in the participation of brokers from Fangyou branded stores in the marketing and sales services provided to Leju of between 25-50% per year.

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Listing Rules implications

The transactions under the Leju Services Framework Agreement are entered into on normal commercial terms, on terms that are fair and reasonable, and one or more of the applicable percentage ratios in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules will exceed 0.1% but each of the percentage ratios (other than the profits ratio) will be lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions will be exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but will still be subject to the reporting, annual review, and announcement requirements.

3. Evergrande data consulting services

The Evergrande Data Consulting Services Framework Agreement

On 4 July 2018, our Company (for ourselves and on behalf of our associates) and Evergrande (for itself and on behalf of its associates) entered into a framework data consulting services agreement (the “**Evergrande Data Consulting Services Framework Agreement**”) pursuant to which we will provide our real estate data and consulting services to Evergrande and its associates. The Evergrande Data Consulting Services Framework Agreement has a term from the Listing Date to 31 December 2020.

Reasons for the transactions

Evergrande is a leading real estate developer in China with a significant number of ongoing real estate development projects that could benefit from the information and insight provided by our data services and consulting services. In light of Evergrande's market size in the real estate industry, this cooperation will contribute to our revenue and be beneficial to us.

Pricing policy

The subscription fees for access to our data services are based on our Group's standard pricing terms, which apply equally to all of our Group's customers. Our standard pricing terms take into account matters such as the number and nature of services, the number of cities covered and the number of subscription accounts sought. In all instances, our standard pricing terms are determined after due consideration of comparable market rates paid by Independent Third Parties for a comparable scope of data services.

The consulting fees charged for any given consulting project are determined after arm's length negotiations with reference to the scope of the issues sought to be covered by the engagement. This informs our assessment of the time and resources required for the provision of the consulting services. In all instances, the consulting fees shall be based on comparable market rates paid by Independent Third Parties for a comparable scope of consulting services.

Historical amount, annual cap, and basis for annual cap

The total data and consulting fees payable to our Group by Evergrande and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB1.25 million, RMB4.33 million, RMB4.39 million and RMB1.17 million, respectively.

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The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB6 million, RMB7 million, and RMB10 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the aforementioned historical amounts; and
- (ii) an expected growth rate of between 25-35% per year, taking into consideration of our historical and expected growth in the real estate data and consulting services business.

Listing Rules implications

The transactions under the Evergrande Data Consulting Services Framework Agreement are entered into on normal commercial terms, on terms that are fair and reasonable, and one or more of the applicable percentage ratios in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules will exceed 0.1% but each of the percentage ratios (other than the profits ratio) will be lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions will be exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but will still be subject to the reporting, annual review, and announcement requirements.

4. Vanke data services

The Vanke Data Consulting Services Framework Agreement

On 4 July 2018, PRC Holdco (for itself and on behalf of its associates) and Vanke (for itself and on behalf of its associates) entered into a framework data services agreement (the "**Vanke Data Consulting Services Framework Agreement**") pursuant to which we will provide our real estate data and consulting services to Vanke and its associates. The Vanke Data Consulting Services Framework Agreement has a term from the Listing Date to 31 December 2020.

Reasons for the transactions

Vanke is a leading real estate developer in China with a significant number of ongoing real estate development projects that could benefit from the information and insight provided by our data services and consulting services. In light of Vanke's market size in the real estate industry, this cooperation will contribute to our revenue and be beneficial to us.

Pricing policy

The subscription fees for access to our data services are based on our Group's standard pricing terms, which apply equally to all of our Group's customers. Our standard pricing terms take into account matters such as the number and nature of services, the number of cities

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covered and the number of subscription accounts sought. In all instances, our standard pricing terms are determined after due consideration of comparable market rates paid by Independent Third Parties for a comparable scope of data services.

The consulting fees charged for any given consulting project are determined after arm's length negotiations with reference to the scope of the issues sought to be covered by the engagement. This informs our assessment of the time and resources required for the provision of the consulting services. In all instances, the consulting fees shall be based on comparable market rates paid by Independent Third Parties for a comparable scope of consulting services.

Historical amount, annual cap, and basis for annual cap

The total data and consulting fees payable to our Group by Vanke and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB3.86 million, RMB2.54 million, RMB4.10 million and RMB0.47 million, respectively.

The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB5 million, RMB7 million, and RMB9 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the aforementioned historical amounts; and
- (ii) an expected growth rate of between 25-35% per year, taking into consideration of our historical and expected growth in the real estate data and consulting services business.

Listing Rules implications

The transactions under the Vanke Data Consulting Services Framework Agreement are entered into on normal commercial terms, on terms that are fair and reasonable, and one or more of the applicable percentage ratios in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules will exceed 0.1% but each of the percentage ratios (other than the profits ratio) will be lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions will be exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but will still be subject to the reporting, annual review, and announcement requirements.

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5. Country Garden data services

The Country Garden Data Consulting Services Framework Agreement

On 4 July 2018, our Company (for ourselves and on behalf of our associates) and Country Garden (for itself and on behalf of its associates) entered into a framework data services agreement (the “**Country Garden Data Consulting Services Framework Agreement**”) pursuant to which we will provide our real estate data and consulting services to Country Garden and its associates. The Country Garden Data Consulting Services Framework Agreement has a term from the Listing Date to 31 December 2020.

Reasons for the transactions

Country Garden is a leading real estate developer in China with a significant number of ongoing real estate development projects that could benefit from the information and insight provided by our data services and consulting services. In light of Country Garden’s market size in the real estate industry, this cooperation will contribute to our revenue and be beneficial to us.

Pricing policy

The subscription fees for access to our data services are based on our Group’s standard pricing terms, which apply equally to all of our Group’s customers. Our standard pricing terms take into account matters such as the number and nature of services, the number of cities covered and the number of subscription accounts sought. In all instances, our standard pricing terms are determined after due consideration of comparable market rates paid by Independent Third Parties for a comparable scope of data services.

The consulting fees charged for any given consulting project are determined after arm’s length negotiations with reference to the scope of the issues sought to be covered by the engagement. This informs our assessment of the time and resources required for the provision of the consulting services. In all instances, the consulting fees shall be based on comparable market rates paid by Independent Third Parties for a comparable scope of consulting services.

Historical amount, annual cap, and basis for annual cap

The total data and consulting fees payable to our Group by Country Garden and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB0.87 million, RMB1.96 million, RMB2.19 million and RMB1.59 million, respectively.

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The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB5 million, RMB6 million, and RMB7 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the aforementioned historical amounts;
- (ii) the expected growth in 2018 based on the revenue earned from Country Garden in relation to the provision of real estate data and consulting services in the three months ended 31 March 2018; and
- (iii) an expected growth rate of between 25-35% in 2019 and 2020, taking into consideration of our historical and expected growth in the real estate data and consulting services business.

Listing Rules implications

The transactions under the Country Garden Data Consulting Services Framework Agreement are entered into on normal commercial terms, on terms that are fair and reasonable, and one or more of the applicable percentage ratios in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules will exceed 0.1% but each of the percentage ratios (other than the profits ratio) will be lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions will be exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but will still be subject to the reporting, annual review, and announcement requirements.

6. TED event services

The TED Event Services Framework Agreement

TED is a company established in the PRC on 9 February 2007 and listed on National Equities Exchange and Quotations with stock code 837383. TED is principally engaged in the business of providing public relations services to real estate developers and organising publicity events for real estate development projects.

On 4 July 2018, our Company (for ourselves and on behalf of our associates) and TED (for itself and on behalf of its associates) entered into a framework event services agreement (the "**TED Event Services Framework Agreement**"), pursuant to which TED and its associates will provide us with event and exhibition services. We procure these event and exhibition services in relation to promotional activities relating to our real estate agency services in the primary market, publicity of our rating and ranking services, and for internal operating purposes. These event and exhibition services may include provision of exhibition booths and ancillary services at TED organised real estate exhibitions and provision of audio-visual equipment and ancillary services for events organised by our Group. The TED Event Services Framework Agreement has a term from the Listing Date to 31 December 2020.

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Reasons for the transactions

We have extensive business operations and proprietary real estate databases covering many provinces, municipalities and autonomous regions across China, all of which are engaged in the real estate industry. It is therefore in our interest to procure the services of TED, one of China's leading public relations and communications firms. In particular, TED has extensive experience in real estate-related public relations and has a pan-China presence.

Pricing policy

The equipment rental and labour fees and exhibition space rental and service fees under the TED Event Services Framework Agreement are determined either based on the prevailing market rate or as agreed by the parties' arm's length negotiations, with reference to the quantity or duration of equipment, space or services contracted by us and the price for comparable equipment, space or services charged by Independent Third Parties.

Historical amount, annual cap, and basis for annual cap

The total service fees payable by our Group to TED and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB3.76 million, RMB3.22 million, RMB6.11 million and RMB2.18 million, respectively.

The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB8 million, RMB10 million, and RMB13 million, respectively.

When estimating the annual caps, our Directors have taken into consideration:

- (i) the aforementioned historical amounts;
- (ii) an expected growth rate in our overall sales of approximately 20-30%, taking into consideration of (i) the increase in the number of development projects we will be engaged as agents for, (ii) the estimated quantity of development projects and corresponding quantity of promotional activities that we expect to hold during the relevant years;
- (iii) the expected frequency of our ranking publication, and projected level of related promotional activities during the relevant years; and
- (iv) the estimated volume of internal events requiring event and exhibition services during the relevant years.

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Listing Rules implications

The transactions under the TED Event Services Framework Agreement are entered into on normal commercial terms, on terms that are fair and reasonable, and one or more of the applicable percentage ratios in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules will exceed 0.1% but each of the percentage ratios (other than the profits ratio) will be lower than 5%. Pursuant to Rule 14A.76(2)(a) of the Listing Rules, these transactions will be exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules, but will still be subject to the reporting, annual review, and announcement requirements.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

7. Country Garden real estate agency services

The Country Garden Agency Framework Agreement

On 4 July 2018, our Company (for ourselves and on behalf of our associates) and Country Garden (for themselves and on behalf of its associates) entered into a framework agreement (the “**Country Garden Agency Framework Agreement**”) pursuant to which we will provide real estate agency services in the primary market and real estate brokerage network services. The real estate agency services in the primary market include formulating and executing marketing and sales strategies for real estate projects developed by Country Garden or its associates, promoting the projects to prospective purchasers, and facilitating sales transactions. The real estate brokerage network services allow small and medium-sized real estate brokerage firms to promote and sell real estate units in the primary real estate market through our Fangyou brokerage network, an empowerment network providing brokerage firms with resources and services for improving their businesses. The Country Garden Agency Framework Agreement has a term from the Listing Date to 31 December 2020.

Reason for the transactions

Country Garden is a leading real estate developer in China with a significant number of real estate developments. Our provision of marketing and sales services and brokerage network services to Country Garden enables us to act as lead agents for larger and more significant real estate developments in China. Our association with these top-tier real estate developers also further enhances our reputation amongst potential purchasers and further enhances our business growth.

Pricing policy

The commission fee charged by our Group in relation to real estate agency services in the primary market will be the total successful sales for the specified period as indicated in each project multiplied by the commission rate. The average commission rate shall remain stable and in line with the average commission rate for the overall real estate agency services in the primary market in China.

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A separate commission is usually charged for the brokerage network services, in addition to the commissions received from the real estate agency service in the primary market. The commission fee charged by our Group in relation to the brokerage network services are usually either at a fixed percentage or at a progressive percentage of the total successful sales for the specified period as indicated in each project.

A successful sale typically requires that service be rendered, the purchaser to have executed the sale and purchase agreement and have either made the required down-payment or the sales and purchase agreement has been registered with the relevant government authorities. Generally, the commission fees charged by our Group may vary slightly from project to project, and shall be determined between the relevant parties on an arm's-length basis for each development project. When determining the commission fees for both the real estate agency services in the primary market and the brokerage network services to a specific development project, we will take into account factors including: historical amounts of commission fees received; the market rate for similar services; the level of market demand for properties in general, the particular project, or the particular developer; and the size and scope of services required for the development project.

Historical amount, annual cap, and basis for annual cap

The total commission fees payable to our Group by Country Garden and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was Nil, RMB13.49 million, RMB19.08 million and RMB9.37 million, respectively.

The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB230 million, RMB345 million, and RMB518 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the market rate for similar services;
- (ii) the expected high total revenue from real estate sales from 2018 to 2020 of Country Garden, being a major real estate developer in China;
- (iii) the anticipated rapid growth in sales volume with Country Garden since Country Garden has become our Shareholder in December 2017. We and Country Garden entered into a strategic cooperation agreement with effect from 1 January 2018 in respect of plans to expand cooperation in the real estate agency services business in the primary market;
- (iv) the total GFA sold for Country Garden's development projects during the Track Record Period, being approximately 200 square metres, 123,100 square metres, 179,600 square metres, and 68,000 square metres for the years ended 31 December 2015, 2016 and 2017 and three months ended 31 March 2018, respectively;

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- (v) our expected growth in sales with Country Garden in 2018 based on the expected number of projects that we will be engaged by Country Garden – a contracted pipeline of approximately 2.1 million square metres of total GFA in 61 projects with Country Garden as of the Latest Practicable Date is approximately 6.1 times of that in 2017, and our expected total GFA of approximately 2.2 million square metres to be sold for Country Garden’s development projects in 2018;
- (vi) our expected growth of 37-47% in total GFA to be sold for Country Garden’s development projects in 2019 and 2020, taking into consideration of (i) the significant growth in total GFA sold for Country Garden’s development projects during the Track Record Period; (ii) the expectation on the number and scale of the development projects to be launched by Country Garden in 2019 and 2020; and (iii) the expectation of the number of projects that we will be engaged by Country Garden; and (iv) the CAGR of 47.1% in the contracted sales of Top 100 Real Estate Developers from 2015 to 2017;
- (vii) our expected annual growth in sales with Country Garden of between 45-55% in 2019 and 2020, taking into consideration of (i) our expected growth in total GFA to be sold for Country Garden’s development projects in 2019 and 2020; and (ii) our expected stable growth in the average selling price of new properties in 2019 and 2020;
- (viii) the expected growth in the performance of the primary real estate market, which is complementary to our real estate agency services business; and
- (ix) the expected increase in sales resulting from the synergistic effects of combined real estate agency services in the primary market and brokerage network services.

Listing Rules implications

The transactions under the Country Garden Agency Framework Agreement are entered into in the ordinary and usual course of our business, on normal commercial terms, on terms that are fair and reasonable, and are in the interests of our Company and our Shareholders as a whole. The highest applicable percentage ratio calculated for the amounts payable in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules are expected will exceed 5%. Transactions under the Country Garden Agency Framework are therefore subject to the reporting, announcement, annual review, and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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8. Evergrande real estate agency services

The Evergrande Agency Framework Agreement

On 4 July 2018, our Company (for ourselves and on behalf of our associates) and Evergrande (for themselves and on behalf of its associates) entered into a framework agreement (the “**Evergrande Agency Framework Agreement**”) pursuant to which we will provide real estate agency services in the primary market and real estate brokerage network services. The real estate agency services in the primary market include formulating and executing marketing and sales strategies for real estate projects developed by Evergrande or its associates, promoting the projects to prospective purchasers, and facilitating sales transactions. The real estate brokerage network services allow small and medium-sized real estate brokerage firms to promote and sell real estate units in the primary real estate market through our Fangyou brokerage network, an empowerment network providing brokerage firms with resources and services for improving their businesses. The Evergrande Agency Framework Agreement has a term from the Listing Date to 31 December 2020.

Reason for the transactions

Evergrande is a leading real estate developer in China with a significant number of real estate developments. Our provision of marketing and sales services and brokerage network services to Evergrande enables us to act as lead agents for larger and more significant real estate developments in China. Our association with these top-tier real estate developers also further enhances our reputation amongst potential purchasers and further enhances our business growth.

Pricing policy

The commission fee charged by our Group in relation to real estate agency services in the primary market will be the total successful sales for the specified period as indicated in each project multiplied by the commission rate. The average commission rate shall remain stable and in line with the average commission rate for the overall real estate agency services in the primary market in China.

A separate commission is usually charged for the brokerage network services, in addition to the commissions received from the real estate agency service in the primary market. The commission fee charged by our Group in relation to the brokerage network services are usually either at a fixed percentage or at a progressive percentage of the total successful sales for the specified period as indicated in each project.

A successful sale typically requires that service be rendered, the purchaser to have executed the sale and purchase agreement and have either made the required down-payment or the sales and purchase agreement has been registered with the relevant government authorities. Generally, the commission fees charged by our Group may vary slightly from project to project, and shall be determined between the relevant parties on an arms-length basis for each

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development project. When determining the commission fees for both the real estate agency services in the primary market and the brokerage network services to a specific development project, we will take into account factors including: historical amounts of commission fees received; the market rate for similar services; the level of market demand for properties in general, the particular project, or the particular developer; and the size and scope of services required for the development project.

Historical amount, annual cap, and basis for annual cap

The total commission fees payable to our Group by Evergrande and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB604.52 million, RMB1,069.86 million, RMB1,622.11 million and RMB313.28 million, respectively.

The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB1,900 million, RMB2,280 million, and RMB2,736 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the aforementioned historical amounts;
- (ii) the market rate for similar services;
- (iii) the total GFA sold for Evergrande's development projects during the Track Record Period, being approximately 8.1 million square metres, 13.7 million square metres, 17.7 million square metres, and 3.6 million square metres for the years ended 31 December 2015, 2016 and 2017 and three months ended 31 March 2018, respectively;
- (iv) our expected growth in sales with Evergrande in 2018 based on the expected number of projects that we will be engaged by Evergrande – a contracted pipeline of approximately 34 million square metres of total GFA in 326 projects with Evergrande as of the Latest Practicable Date, and our expected total GFA of approximately 19.3 million square metres to be sold for Evergrande's development projects in 2018;
- (v) our expected growth of 10-16% in total GFA to be sold for Evergrande's development projects in 2019 and 2020, taking into consideration of (i) the historical growth rate in total GFA sold for Evergrande's development projects during the Track Record Period; (ii) the expectation on the number and scale of the development projects to be launched by Evergrande in 2018, 2019 and 2020; and (iii) the historical growth rate in sales with Evergrande in relation to the provision of real estate agency services; and (iv) the CAGR of 47.1% in the contracted sales of Top 100 Real Estate Developers from 2015 to 2017;

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- (vi) our expected growth in sales with Evergrande of between 18-22% per year, taking into consideration of (i) our expected growth in total GFA to be sold for Evergrande's development projects in 2018, 2019 and 2020; and (ii) our expected stable growth in the average selling price of new properties in 2018, 2019 and 2020;
- (vii) the expected growth in the performance of the primary real estate market, which is complementary to our real estate agency services business; and
- (viii) the expected increase in sales resulting from the synergistic effects of combined real estate agency services in the primary market and brokerage network services.

Listing Rules implications

The transactions under the Evergrande Agency Framework Agreement are entered into in the ordinary and usual course of our business, on normal commercial terms, on terms that are fair and reasonable, and are in the interests of our Company and our Shareholders as a whole. The highest applicable percentage ratio calculated for the amounts payable in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules are expected will exceed 5%. Transactions under the Evergrande Agency Framework are therefore subject to the reporting, announcement, annual review, and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

9. Vanke real estate agency services

The Vanke Agency Framework Agreement

On 4 July 2018, PRC Holdco (for itself and on behalf of its associates) and Vanke (for themselves and on behalf of its associates) entered into a framework agreement (the "**Vanke Agency Framework Agreement**") pursuant to which we will provide real estate agency services in the primary market and real estate brokerage network services. The real estate agency services in the primary market include formulating and executing marketing and sales strategies for real estate projects developed by Vanke or its associates, promoting the projects to prospective purchasers, and facilitating sales transactions. The real estate brokerage network services allow small and medium-sized real estate brokerage firms to promote and sell real estate units in the primary real estate market through our Fangyou brokerage network, an empowerment network providing brokerage firms with resources and services for improving their businesses. The Vanke Agency Framework Agreement has a term from the Listing Date to 31 December 2020.

Reason for the transactions

Vanke is a leading real estate developer in China with a significant number of real estate developments. Our provision of marketing and sales services and brokerage network services to Vanke enables us to act as lead agents for larger and more significant real estate developments in China. Our association with these top-tier real estate developers also further enhances our reputation amongst potential purchasers and further enhances our business growth.

CONNECTED TRANSACTIONS

Pricing policy

The commission fee charged by our Group in relation to real estate agency services in the primary market will be the total successful sales for the specified period as indicated in each project multiplied by the commission rate. The average commission rate shall remain stable and in line with the average commission rate for the overall real estate agency services in the primary market in China.

A separate commission is usually charged for the brokerage network services, in addition to the commissions received from the real estate agency service in the primary market. The commission fee charged by our Group in relation to the brokerage network services are usually either at a fixed percentage or at a progressive percentage of the total successful sales for the specified period as indicated in each project.

A successful sale typically requires that service be rendered, the purchaser to have executed the sale and purchase agreement and have either made the required down-payment or the sales and purchase agreement has been registered with the relevant government authorities. Generally, the commission fees charged by our Group may vary slightly from project to project, and shall be determined between the relevant parties on an arms-length basis for each development project. When determining the commission fees for both the real estate agency services in the primary market and the brokerage network services to a specific development project, we will take into account factors including: historical amounts of commission fees received; the market rate for similar services; the level of market demand for properties in general, the particular project, or the particular developer; and the size and scope of services required for the development project.

Historical amount, annual cap, and basis for annual cap

The total commission fees payable to our Group by Vanke and its associates for the years ended 31 December 2015, 2016 and 2017 and the three months ended 31 March 2018 was RMB94.48 million, RMB91.36 million, RMB89.12 million and RMB15.57 million, respectively.

The annual cap for the years ending 31 December 2018, 2019 and 2020 are RMB230 million, RMB345 million, and RMB518 million, respectively.

When estimating the annual cap, our Directors have taken into account:

- (i) the market rate for similar services;
- (ii) the expected high total revenue from real estate sales from 2018 to 2020 of Vanke, being a major real estate developer in China;
- (iii) the anticipated rapid growth in sales volume with Vanke since Vanke has become our Shareholder in December 2017. We and Vanke entered into a strategic cooperation agreement in March 2018 with a non-binding targeted sales which suggest mutual intentions to rapidly expand cooperation in the real estate agency services business in the primary market;

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- (iv) total GFA sold for Vanke's development projects during the Track Record Period, being approximately 1.1 million square metres, 1.3 million square metres, 1.1 million square metres, and 192,300 square metres for the years ended 31 December 2015, 2016 and 2017 and three months ended 31 March 2018, respectively;
- (v) our expected growth in sales with Vanke in 2018 based on the expected number of projects that we will be engaged by Vanke – a contracted pipeline of approximately 1.6 million square metres of total GFA in 44 projects with Vanke as of the Latest Practicable Date, and our expected total GFA of approximately 2.1 million square metres to be sold for Vanke's development projects in 2018;
- (vi) our expected growth of 37-47% in total GFA to be sold for Vanke's development projects in 2019 and 2020, taking into consideration of (i) the total GFA sold for Vanke's development projects during the Track Record Period; (ii) expectation on the number and scale of the development projects to be launched by Vanke in 2018, 2019 and 2020; and (iii) the expectation of the number of projects that we will be engaged by Vanke; and (iv) the CAGR of 47.1% in the contracted sales of Top 100 Real Estate Developers from 2015 to 2017;
- (vii) our expected annual growth in cooperation amount with Vanke of between 45-55% in 2019 and 2020, taking into consideration of (i) our expected growth in total GFA to be sold for Vanke's development projects in 2019 and 2020; (ii) historical average selling price of projects sold for Vanke and our expected stable growth in the average selling price of new properties in 2018, 2019 and 2020; and (iii) our historical average commission rate of projects sold for Vanke;
- (viii) the expected growth in the performance of the primary real estate market, which is complementary to our real estate agency services business; and
- (ix) the expected increase in sales resulting from the synergistic effects of combined real estate agency services in the primary market and brokerage network services.

Listing Rules implications

The transactions under the Vanke Agency Framework Agreement are entered into in the ordinary and usual course of our business, on normal commercial terms, on terms that are fair and reasonable, and are in the interests of our Company and our Shareholders as a whole. The highest applicable percentage ratio calculated for the amounts payable in respect of such transactions on an annual basis under Chapter 14A of the Listing Rules are expected to exceed 5%. Transactions under the Vanke Agency Framework are therefore subject to the reporting, announcement, annual review, and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

APPLICATION FOR WAIVER FROM LISTING RULES

Application for waiver

The Directors, including the independent non-executive Directors, consider that disclosure and approval of the partially-exempt and non-exempt continuing connected transactions described above in full compliance with the Listing Rules would be impracticable and, in particular, would add unnecessary administrative costs to our Company. In addition, the Directors, including the independent non-executive Directors, believe that it is in the interest of our Company to continue to enter into these transactions with its connected persons described above after the Listing.

As a result, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirement under Rule 14A.35 (in respect of the partially-exempt and non-exempt continuing connected transactions as described above) and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules (in respect of the non-exempt continuing connected transactions), subject to the condition that the annual transaction values shall not exceed their respective estimated annual caps (as stated above).

In addition, the Directors confirm that our Company will comply with the applicable requirements under Chapter 14A of the Listing Rules and will immediately inform the Stock Exchange if any of the proposed annual caps set out above are exceeded, or when there is a material change in the terms of the transactions. Save for the requirements relating to continuing connected transactions for which a written waiver by the Stock Exchange has been granted, our Company will comply with the applicable requirements under Chapter 14A of the Listing Rules.

Directors' views

The Directors (including independent non-executive Directors) are of the view that:

- (i) the partially-exempt and non-exempt continuing connected transactions as described above, for which a waiver has been sought, have been entered into in the ordinary and usual course of our business, on normal commercial terms or better, on terms that are fair and reasonable, and are in the interests of our Company and our Shareholders as a whole; and
- (ii) that the proposed annual monetary caps in respect of such partially-exempt and non-exempt continuing connected transactions as set out above are fair and reasonable, and in the interests of our Company and our Shareholders as a whole.

CONNECTED TRANSACTIONS

Joint Sponsors' views

Based on the documentation and data provided by our Company, and participation in due diligence and discussions with us, the Joint Sponsors are of the view that:

- (i) the partially-exempt and non-exempt continuing connected transactions as described above, for which a waiver has been sought, have been entered into in the ordinary and usual course of our business, on normal commercial terms or better, on terms that are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole; and

- (ii) that the proposed annual monetary caps in respect of such partially-exempt and non-exempt continuing connected transactions as set out above are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.