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## **Redsun Services Group Limited**

### **弘陽服務集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1971)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **BACKGROUND**

Reference is made to the section headed “Continuing Connected Transactions — (B) Summary of our Continuing Connected Transactions — Non-exempt Continuing Connected Transactions” in the Prospectus. As disclosed in the Prospectus, the Company entered into (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the Existing Property Management Services Master Framework Agreement; (iii) the Existing Redsun Materials City Management Services Agreement; and (iv) the Existing Redsun Business World Management Services Agreement, for (a) a term from 11 March 2020 to 31 December 2022 for (i) and (ii); and (b) a term from 7 July 2020 to 31 December 2022 for (iii) and (iv).

It is expected that the Group will from time to time continue to enter into transactions of a nature similar to the Existing Continuing Connected Transactions after the expiry of the agreements to which the Existing Continuing Connected Transactions relate. Accordingly, the Group now seeks to enter into relevant new agreements on substantially the same terms and has entered into the (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the New Property Management Services Master Framework Agreement; (iii) the New Redsun Materials City Management Services Agreement; (iv) the New Jiangsu Hong Yang Commercial Management Services Agreement; (v) the New Shanghai Hong Yang Business Management Services Agreement; and (vi) the New Redsun Business World Management Services Agreement on 8 December 2022 (after trading hours).

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Zeng is the controlling Shareholder. Redsun Properties is indirectly held as to 71.88% by Mr. Zeng while Redsun Materials City, Jiangsu Hong Yang Commercial and Shanghai Hong Yang Business are indirectly wholly-owned as to 100% by Mr. Zeng and Redsun Business World is owned as to 100% by Ms. Zeng Suqing (曾素清), the sister of Mr. Zeng. Accordingly, each of Redsun Properties, Redsun Materials City, Jiangsu Hong Yang Commercial, Shanghai Hong Yang Business and Redsun Business World is therefore an associate of Mr. Zeng and in turn a connected person of the Company. The entering into of the New Continuing Connected Transactions constitute connected transactions of the Company.

### **The New Parking Space Sales and Leasing Agency Services Framework Agreement**

Since one or more of the applicable percentage ratios in respect of the proposed annual caps under the New Parking Space Sales and Leasing Agency Services Framework Agreement exceed 0.1% but are less than 5% on an annual basis, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement are subject to the reporting, annual review and announcement requirements but will be exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **The New Property Management Services Master Framework Agreement**

Since one or more of the applicable percentage ratios in respect of the proposed annual caps in respect of the Property Management Services under the New Property Management Services Master Framework Agreement for the three years ending 31 December 2025 exceed 5%, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**The New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement**

As the New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement were entered into by the Group with the associates of Mr. Zeng, namely Redsun Materials City, Jiangsu Hong Yang Commercial, Shanghai Hong Yang Business and Redsun Business World, in relation to the provision of management services to commercial properties, the transactions thereunder shall be aggregated pursuant to the requirements under Rule 14A.81 of the Listing Rules.

Since one or more of the applicable percentage ratios in respect of the proposed aggregated annual caps in respect of the management and related services under the New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement exceed 5% on an annual basis, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**GENERAL INFORMATION**

The Company has established the Independent Board Committee to consider whether the Non-exempt Continuing Connected Transactions are entered into on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company has appointed Altus Capital Limited as the independent financial adviser to advise the Independent Board Committee and independent Shareholders. The Company will convene a general meeting in due course.

A circular containing, among other things, (i) further details of the Non-exempt Continuing Connected Transactions contemplated and the respective annual caps; (ii) the letter from the independent financial advisor in which the independent financial advisor provides advice and recommendation to the Independent Board Committee; (iii) recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a notice of the general meeting, is expected to be despatched to the Shareholders on or before 3 January 2023.

## INTRODUCTION

Reference is made to the section headed “Continuing Connected Transactions — (B) Summary of our Continuing Connected Transactions — Non-exempt Continuing Connected Transactions” in the Prospectus. As disclosed in the Prospectus, the Company entered into (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the Existing Property Management Services Master Framework Agreement; (iii) the Existing Redsun Materials City Management Services Agreement; and (iv) the Existing Redsun Business World Management Services Agreement, for (a) a term from 11 March 2020 to 31 December 2022 for (i) and (ii); and (b) a term from 7 July 2020 to 31 December 2022 for (iii) and (iv), respectively as follows:

- (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement in relation to the provision of parking space sales and leasing agency services by the Group to Redsun Properties and its associates;
- (ii) the Existing Property Management Services Master Framework Agreement in relation to the provision of property management services by the Group to Redsun Properties and its associates;
- (iii) the Existing Redsun Materials City Management Services Agreement in relation to the provision of management services to commercial properties by the Company to Redsun Materials City Group before Restructuring; and
- (iv) the Existing Redsun Business World Management Services Agreement in relation to the provision of management services by the Company to the commercial complex of Redsun Business World.

It is expected that the Group will from time to time continue to enter into transactions of a nature similar to the Existing Continuing Connected Transactions after the expiry of the agreements to which the Existing Continuing Connected Transactions relate. Accordingly, the Group now seeks to enter into relevant new agreements on substantially the same terms and has entered into the (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the New Property Management Services Master Framework Agreement; (iii) the New Redsun Materials City Management Services Agreement; (iv) the New Jiangsu Hong Yang Commercial Management Services Agreement; (v) the New Shanghai Hong Yang Business Management Services Agreement and (vi) the New Redsun Business World Management Services Agreement on 8 December 2022 (after trading hours). The above transactions constitute the New Continuing Connected Transactions of the Company and the details of which are as follows.

## **I. New Parking Space Sales and Leasing Agency Services Framework Agreement**

The principal terms of the New Parking Space Sales and Leasing Agency Services Framework Agreement are set out below:

- Date: 8 December 2022 (after trading hours)
- Parties: (a) the Company (as services provider)  
(b) Redsun Properties (as services recipient)
- Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.
- Scope of services: Members of the Group shall provide sales and leasing agency services to Redsun Properties in respect of the unsold parking spaces owned by Redsun Properties.

Definitive service agreements will be entered into between the relevant members of the Group and Redsun Properties and its associates for the provision of the sales and leasing agency services in respect of the unsold parking spaces owned by Redsun Properties and its associates. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Group to Redsun Properties and its associates and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Parking Space Sales and Leasing Agency Services Framework Agreement.

Pricing policy: The agency fees for the provision of sales and leasing agency services in respect of unsold parking spaces shall be calculated based on the following:

*Sales/leasing agency fee = contract prices of the sales/leasing of the subject parking spaces x agreed rate of agency fee*

The contract prices of the sales/leasing of the subject parking spaces shall be determined with reference to the prevailing market price charged by other independent third party services providers to Redsun Properties and its associates in respect of comparable locations. The rate of the sales/leasing agency fee in respect of the parking spaces of each specific project is subject to the relevant definitive agreements to be entered into between the relevant members of the Group and Redsun Properties and its associates, and shall be determined after arm's length negotiations between the relevant parties with reference to prevailing market price taking into account of prices charged by independent third parties services providers in respect of comparable services and locations.

The transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement shall be on normal commercial terms, on terms no more favorable than those offered to independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Reasons for and Benefits of the Transaction***

Since most of the parking space developed or held by Redsun Properties are within the scope of the Group's projects under management, and the Group keep the daily communication and contact with potential customers (owners and tenants) of such parking spaces, which has certain advantages in obtaining the relevant market information of such parking spaces and that such business can bring more revenue and diversified business development to Redsun Properties, the Group decides to enter into the New Parking Space Sales and Leasing Agency Services Framework Agreement.

### ***Historical transaction amounts***

The table below sets forth the historical transaction amounts of transactions under the Existing Parking Space Sales and Leasing Agency Services Framework Agreement:

	<b>Actual amount incurred (in RMB'000)</b>		
	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>	<b>For the period from 1 January 2022 to 30 September 2022</b>
The total agency fees paid by Redsun Properties and its associates to the Group	—	—	—

As far as the Directors are aware, the Group has directly provided intermediary services for the location and price negotiation of parking spaces for customers in the previous sales/leasing process, and entered into service contracts and settlements with customers directly, therefore no relevant transactions have been entered into with Redsun Properties and its associates in previous periods and the actual amount is expected to be nil for the year ending 31 December 2022.

### ***Proposed annual caps and basis of determination for annual caps***

Taking into account the changes in the parking space sales/leasing market and the increase in the size of Redsun Properties' parking space assets, the Group, after renegotiation with Redsun Properties, has confirmed a change in the parking space sales business model since 2023, mainly providing parking space sales/leasing agency services for various projects of Redsun Properties and its associates, such as the formulation and promotion of parking space sales/leasing plans, etc., entering into sales/leasing agency service contracts with Redsun Properties and its associates, and settling the sales/leasing agency fees with Redsun Properties and its associates upon completion of the sales/leasing of the parking spaces.

The proposed annual caps for the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	<b>For the year ending 31 December 2023 (RMB'000)</b>	<b>For the year ending 31 December 2024 (RMB'000)</b>	<b>For the year ending 31 December 2025 (RMB'000)</b>
Expected maximum aggregate agency fees to be charged by the Group to Redsun Properties and its associates pursuant to the New Parking Space Sales and Leasing Agency Services Framework Agreement	36,007	36,007	36,007

The annual caps under the New Parking Space Sales and Leasing Agency Services Framework Agreement are determined based on the estimated transaction amount for the provision of sales and leasing agency services by the Group to Redsun Properties and its associates for each of the three years ending 31 December 2025, which were determined with reference to:

- (i) the projected number in respect of the parking spaces owned by Redsun Properties and its associates for which the Group was expected to be engaged to provide parking space sales and leasing agency service based on arm's length negotiations between the Group and Redsun Properties and its associates as at 31 December 2022;
- (ii) the estimated contract prices of the sales/leasing for the parking spaces held and to be held by Redsun Properties and its associates; and
- (iii) the rate of agency fee based on arm's length negotiations between the Group and Redsun Properties and its associates with reference to prevailing market price taking into account of prices and rates charged by independent third parties services providers in respect of comparable services and locations.

## II. New Property Management Services Master Framework Agreement

The principal terms of the New Property Management Services Master Framework Agreement are set out below:

Date: 8 December 2022 (after trading hours)

Parties: (a) the Company (as services provider)  
(b) Redsun Properties (as services recipient)

Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Scope of services: **(a) Pre-delivery property management and related services**

Members of the Group shall provide pre-delivery property management and related services to Redsun Properties and its associates, including but not limited to planning and design, equipment selection, inspection for each unit, cleaning, gardening, maintenance of public order and security in the phases of property preparation, general layout as well as construction drawings, execution, completion and delivery period in respect of the property projects of Redsun Properties and its associates.

**(b) Display units and property sales venues management services**

Members of the Group shall provide management and related services to the display units and property sales venues of the property projects during the sales period of the property projects of Redsun Properties and its associates, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venue.

**(c) Pre-delivery property management services for unsold properties**

Members of the Group shall provide pre-delivery property management services to Redsun Properties and its associates for unsold properties (including car parking spaces), including but not limited to security, cleaning, gardening, repair and maintenance.

**(d) Commercial properties management services**

Members of the Group shall provide management and related services to the commercial properties including office areas, hotels and shopping malls owned or operated by Redsun Properties and its associates and relevant common areas, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venues.

**(e) Housing repair management services**

Members of the Group shall provide routine maintenance and repair management services to the Properties under warranty sold by Redsun Properties and its Associates, including but not limited to housing safety management, housing repair plan management, housing repair quality management, housing repair budget management, housing repair tender management, housing repair cost management, housing repair factor management, housing repair construction management and housing repair construction supervision services.

Definitive service agreements will be entered into between the relevant members of the Group and Redsun Properties and its associates for the provision of the Property Management Services. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Group to Redsun Properties and its associates and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Property Management Services Master Framework Agreement.

Pricing policy:

The relevant members of the shall, where they are selected following the relevant tender processes and other quotation procedures for selection of services providers, provide management and related services to Redsun Properties and its associates according to the tender and quotation documents and definitive management services agreements to be entered into between relevant members of the Group and Redsun Properties and its associates from time to time.

The management fees payable by Redsun Properties and its associates shall be determined based on arm's length negotiation between Redsun Properties and its associates and members of the Group, with reference to a wide range of factors including but not limited to (i) nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties; (ii) prevailing market price charged by other independent third party services providers to Redsun Properties and its associates in respect of comparable services; and (iii) any applicable rates recommended by the relevant government authorities.

The transactions contemplated under the New Property Management Services Master Framework Agreement shall be on normal commercial terms, on terms no more favorable than those offered to independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

### ***Reasons for and Benefits of the Transaction***

The Group has been providing quality property management services to Redsun Properties and its associates for many years and therefore the parties are more familiar with each other in respects of communication, coordination and service standards, which have certain advantage. As the Existing Property Management Services Master Framework Agreement entered into between the Group and Redsun Properties in 2020 will expire on 31 December 2022, the Group decides to enter into the New Property Management Services Master Framework Agreement so that the Group will continue to provide property management services to Redsun Properties and its associates and create certain synergies accordingly. Through providing services to the owners and owners' committees of properties developed by Redsun Properties and its associates and other property developers, the Group enhances its brand image and recognition, which will in turn promote its property management business.

### ***Historical transaction amounts***

The table below sets forth the historical transaction amounts of transactions under the Existing Property Management Services Master Framework Agreement:

	<b>Actual amount incurred (in RMB'000)</b>		
	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>	<b>For the period from 1 January 2022 to 30 September 2022</b>
The total service fees paid by Redsun Properties and its associates to the Group	205,670	241,985	142,284

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2022 will not exceed the annual cap under the Existing Property Management Services Master Framework Agreement.

***Proposed annual caps and basis of determination for annual caps***

The proposed annual caps for the transactions contemplated under the New Property Management Services Master Framework Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	<b>For the year ending 31 December 2023 (RMB'000)</b>	<b>For the year ending 31 December 2024 (RMB'000)</b>	<b>For the year ending 31 December 2025 (RMB'000)</b>
Expected maximum aggregate service fees paid by Redsun Properties and its associates to the Group pursuant to the New Property Management Services Master Framework Agreement	232,919	214,734	183,323

The annual caps under the New Property Management Services Master Framework Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts in respect of the Property Management Services between Redsun Properties and its associates and the Group;
- (ii) the additional scope of management services which may be required by Redsun Properties and its associates from the Group, including housing repair management services;
- (iii) the total GFA of properties developed by Redsun Properties and its associates under the management of the Group and the properties under development held by Redsun Properties and its associates to be managed by the Group based on existing service contracts as at 31 December 2022;
- (iv) the land bank held by Redsun Properties and its associates as at 31 December 2022 and its projected changes for the next three years based on publicly available information;
- (v) the estimated service fee to be charged by the Group in respect of pre-delivery property management and related services, display units and property sales venues management services and pre-delivery property management services for unsold properties based on historical amount and existing contracts;

- (vi) the expected unoccupied rate for property units and car parking spaces under the management of the Group based on historical amount; and
- (vii) the expected number of contracts in respect of the commercial properties held by Redsun Properties and its associates for which the Group had been or was expected to be engaged to provide property management services as at 31 December 2022.

### **III. New Redsun Materials City Management Services Agreement**

The principal terms of the New Redsun Materials City Management Services Agreement are set out below:

- Date: 8 December 2022 (after trading hours)
- Parties: (a) the Company (as services provider)  
(b) Redsun Materials City (as services recipient)
- Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.
- Scope of services: Members of the Group shall provide the Redsun Materials City Group with management and related services to its specialized home furnishing and construction materials centers and shopping malls, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venues.

Definitive service agreements will be entered into between the relevant members of the Group and the relevant members of the Redsun Materials City Group for the provision of services under the New Redsun Materials City Management Services Agreement. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Group to the relevant members of the Redsun Materials City Group and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Redsun Materials City Management Services Agreement.

Pricing policy: The service fees to be charged under the New Redsun Materials City Management Services Agreement shall be determined after arm's length negotiations with reference to (i) the anticipated operational costs (including labor costs); and (ii) the prevailing market price for similar services taking into account the size and location of the commercial properties to be managed by the Group, and shall be no more favorable than those offered to independent third parties.

The transactions contemplated under the New Redsun Materials City Management Services Agreement shall be on normal commercial terms, on terms no more favorable than those offered to independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

***Reasons for and Benefits of the Transaction***

The Group has been committed to provide quality management and the relevant services to the Redsun Materials City Group to meet its daily business needs. As the Existing Redsun Materials City Management Services Agreement entered into between the Group and Redsun Materials City in 2020 will expire on 31 December 2022, the New Redsun Materials City Management Services Agreement was entered into with a view to continue to provide management and relevant services to Redsun Materials City Group, so as to enhance the Group's core competitiveness and brand influence in commercial management and relevant services, which will promote the Group's business development.

### ***Historical transaction amounts***

The table below sets forth the historical transaction amounts of transactions between the Group and the Redsun Materials City Group under the Existing Redsun Materials City Management Services Agreement:

	<b>Actual amount incurred (in RMB'000)</b>		
	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>	<b>For the period from 1 January 2022 to 30 September 2022</b>
The total service fees paid by the Redsun Materials City Group to the Group	118,887	110,702	94,368

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2022 will not exceed the annual cap under the Existing Redsun Materials City Management Services Agreement.

### ***Proposed annual caps and basis of determination for annual caps***

The proposed annual caps for the transactions contemplated under the New Redsun Materials City Management Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	<b>For the year ending 31 December 2023 (RMB'000)</b>	<b>For the year ending 31 December 2024 (RMB'000)</b>	<b>For the year ending 31 December 2025 (RMB'000)</b>
Expected maximum aggregate service fees payable to the Group by the Redsun Materials City Group pursuant to the New Redsun Materials City Management Services Agreement	53,548	56,188	57,783

The annual caps under the New Redsun Materials City Management Services Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts in respect of the management services provided by the Group to the Redsun Materials City Group during the term of the Existing Redsun Materials City Management Services Agreement;
- (ii) the service fees based on existing contract entered into between the Group and Redsun Materials City Group;
- (iii) the expected increase in the number of commercial properties held or operated by the Redsun Materials City Group for which the Group has been or will be engaged to provide property management services; and
- (iv) taking into account of the development stage of each of the commercial properties, inflation rate and expected operational costs increase in relation to the operation of each of the commercial properties for the three years ending 31 December 2025.

#### **IV. New Jiangsu Hong Yang Commercial Management Services Agreement**

The principal terms of the New Jiangsu Hong Yang Commercial Management Services Agreement are set out below:

- Date: 8 December 2022 (after trading hours)
- Parties: (c) the Company (as services provider)  
(d) Jiangsu Hong Yang Commercial (as services recipient)
- Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Scope of services: Members of the Group shall provide the Jiangsu Hong Yang Commercial Group with management and related services to its specialized home furnishing and construction materials centers and shopping malls, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venues.

Definitive service agreements will be entered into between the relevant members of the Group and the relevant members of the Jiangsu Hong Yang Commercial Group for the provision of services under the New Jiangsu Hong Yang Commercial Management Services Agreement. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Group to the relevant members of the Jiangsu Hong Yang Commercial Group and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Jiangsu Hong Yang Commercial Management Services Agreement.

Pricing policy: The service fees to be charged under the New Jiangsu Hong Yang Commercial Management Services Agreement shall be determined after arm's length negotiations with reference to (i) the anticipated operational costs (including labor costs); and (ii) the prevailing market price for similar services taking into account the size and location of the commercial properties to be managed by the Group, and shall be no more favorable than those offered to independent third parties.

The transactions contemplated under the New Jiangsu Hong Yang Commercial Management Services Agreement shall be on normal commercial terms, on terms no more favorable than those offered to independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Reasons for and Benefits of the Transaction***

As a national integrated property service provider, commercial property management services are an important segment of the Group. As Jiangsu Hong Yang Commercial is one of the related parties of the Group, the provision of quality commercial property management services to it can bring business growth and higher revenue to the Group, and it is also more convenient for both parties to communicate and coordinate, therefore the Group decides to enter into the New Jiangsu Hong Yang Commercial Management Services Agreement.

### ***Historical transaction amounts***

The table below sets forth the historical transaction amounts of transactions between the Group and the Jiangsu Hong Yang Commercial Group under the Existing Redsun Materials City Management Services Agreement:

	<b>Actual amount incurred (in RMB'000)</b>		
	<b>For the</b>	<b>For the</b>	<b>For the period</b>
	<b>year ended 31</b>	<b>year ended 31</b>	<b>from</b>
	<b>December</b>	<b>December</b>	<b>1 January</b>
	<b>2020</b>	<b>2021</b>	<b>2022 to</b>
			<b>30 September</b>
			<b>2022</b>
The total service fees paid by the Jiangsu Hong Yang Commercial Group to the Group	—	—	—

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2022 will not exceed the annual cap under the Existing Redsun Materials City Management Services Agreement.

***Proposed annual caps and basis of determination for annual caps***

The proposed annual caps for the transactions contemplated under the New Jiangsu Hong Yang Commercial Management Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	<b>For the year ending 31 December 2023 (RMB'000)</b>	<b>For the year ending 31 December 2024 (RMB'000)</b>	<b>For the year ending 31 December 2025 (RMB'000)</b>
Expected maximum aggregate service fees payable to the Group by the Jiangsu Hong Yang Commercial Group pursuant to the New Jiangsu Hong Yang Commercial Management Services Agreement	29,478	30,515	31,474

The annual caps under the New Jiangsu Hong Yang Commercial Management Services Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts in respect of the management services provided by the Group to the Jiangsu Hong Yang Commercial Group during the term of the Existing Redsun Materials City Management Services Agreement;
- (ii) the service fees based on existing contract entered into between the Group and the Jiangsu Hong Yang Commercial Group;
- (iii) the expected increase in the number of commercial properties held or operated by the Jiangsu Hong Yang Commercial Group for which the Group has been or will be engaged to provide property management services; and
- (iv) taking into account of the development stage of each of the commercial properties, inflation rate and expected operational costs increase in relation to the operation of each of the commercial properties for the three years ending 31 December 2025.

## V. New Shanghai Hong Yang Business Management Services Agreement

The principal terms of the New Shanghai Hong Yang Business Management Services Agreement are set out below:

- Date: 8 December 2022 (after trading hours)
- Parties: (a) the Company (as services provider)  
(b) Shanghai Hong Yang Business (as services recipient)
- Term: from 1 January 2023 to 31 December 2025, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.
- Scope of services: Members of the Group shall provide the Shanghai Hong Yang Business Group with management and related services to its specialized home furnishing and construction materials centers and shopping malls, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venues.

Definitive service agreements will be entered into between the relevant members of the Group and the relevant members of the Shanghai Hong Yang Business Group for the provision of services under the New Shanghai Hong Yang Business Management Services Agreement. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Group to the relevant members of the Shanghai Hong Yang Business Group and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Shanghai Hong Yang Business Management Services Agreement.

Pricing policy: The service fees to be charged under the New Shanghai Hong Yang Business Management Services Agreement shall be determined after arm's length negotiations with reference to (i) the anticipated operational costs (including labor costs); and (ii) the prevailing market price for similar services taking into account the size and location of the commercial properties to be managed by the Group, and shall be no more favorable than those offered to independent third parties.

The transactions contemplated under the New Shanghai Hong Yang Business Management Services Agreement shall be on normal commercial terms, on terms no more favorable than those offered to independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

***Reasons for and Benefits of the Transaction***

As a national integrated property service provider, the Group has many years of professional management services experience in commercial property management and has been highly evaluated by its customers. As one of the Group's related parties, the provision of professional management services to Shanghai Hong Yang Business can consolidate the Group's strengths in commercial property management as well as generate profits, and hence the Group decides to enter into the New Shanghai Hong Yang Business Management Services Agreement.

### ***Historical transaction amounts***

The table below sets forth the historical transaction amounts of transactions between the Group and the Shanghai Hong Yang Business Group under the Existing Redsun Materials City Management Services Agreement:

	<b>Actual amount incurred (in RMB'000)</b>		
	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b>	<b>For the period from 1 January 2022 to 30 September 2022</b>
The total service fees paid by the Shanghai Hong Yang Business Group to the Group	—	—	—

As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2022 will not exceed the annual cap under the Existing Redsun Materials City Management Services Agreement.

### ***Proposed annual caps and basis of determination for annual caps***

The proposed annual caps for the transactions contemplated under the New Shanghai Hong Yang Business Management Services Agreement for the three years ending 31 December 2025 and the basis of determination for such annual caps are set out as follows:

	<b>For the year ending 31 December 2023</b>	<b>For the year ending 31 December 2024</b>	<b>For the year ending 31 December 2025</b>
	<b>(RMB'000)</b>	<b>(RMB'000)</b>	<b>(RMB'000)</b>
Expected maximum aggregate service fees payable to the Group by the Shanghai Hong Yang Business Group pursuant to the New Shanghai Hong Yang Business Management Services Agreement	18,436	19,249	19,932

The annual caps under the New Shanghai Hong Yang Business Management Services Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts in respect of the management services provided by the Group to the Shanghai Hong Yang Business Group during the term of the Existing Redsun Materials City Management Services Agreement;
- (ii) the service fees based on existing contract entered into between the Group and the Shanghai Hong Yang Business Group;
- (iii) the expected increase in the number of commercial properties held or operated by the Shanghai Hong Yang Business Group for which the Group has been or will be engaged to provide property management services; and
- (iv) taking into account of the development stage of each of the commercial properties, inflation rate and expected operational costs increase in relation to the operation of each of the commercial properties for the three years ending 31 December 2025.

#### **VI. New Redsun Business World Management Services Agreement**

The principal terms of the New Redsun Business World Management Services Agreement are set out below:

- Date: 8 December 2022 (after trading hours)
- Parties: (a) the Company (as services provider)  
(b) Redsun Business World (as services recipient)
- Term: from 1 January 2023 to 31 December 2023, subject to renewal by mutual agreement of the parties thereto and compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Scope of services: Members of the Group shall provide the Redsun Business World with management and related services to Nanjing Redsun Business World Mall (南京紅太陽商業大世界), a commercial complex for specialized home furnishing and construction materials, including but not limited to cleaning, gardening, maintenance of public order and security services to the aforesaid venues.

Definitive service agreements will be entered into between the relevant members of the Group and the relevant members of the Redsun Business World for the provision of services under the New Redsun Business World Management Services Agreement. Each definitive agreement will set out the relevant services to be provided by the relevant members of the Group to the relevant members of the Redsun Business World and the service fees. The definitive service agreements may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the New Redsun Business World Management Services Agreement.

Pricing policy: The service fees to be charged under the New Redsun Business World Management Services Agreement shall be determined after arm's length negotiations with reference to (i) the anticipated operational costs (including labor costs); and (ii) the prevailing market price for similar services of similar properties, and shall be no more favorable than those offered to independent third parties.

The transactions contemplated under the New Redsun Business World Management Services Agreement shall be on normal commercial terms, on terms no more favorable than those offered to independent third party services providers in respect of comparable services and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Reasons for and Benefits of the Transaction***

The Group has been providing professional management and related services to Redsun Business World for many years and the Group's services have been highly evaluated by Redsun Business World. Due to the long-term good cooperation relationship between the two parties and the fact that the Existing Redsun Business World Management Services Agreement entered into between the Group and Redsun Business World in 2020 will expire on 31 December 2022, the Group decides to enter into the New Redsun Business World Management Services Agreement. This will enable the Group to continue to provide professional management and related services to Redsun Business World, which will further create value for the Group and enhance its brand awareness and influence.

### ***Historical transaction amounts***

The table below sets forth the historical transaction amounts of transactions under the Existing Redsun Business World Management Services Agreement:

	<b>Actual amount incurred (in RMB'000)</b>		
			<b>For the period from</b>
	<b>For the year ended</b>	<b>For the year ended</b>	<b>1 January</b>
	<b>31 December</b>	<b>31 December</b>	<b>2022 to</b>
	<b>2020</b>	<b>2021</b>	<b>30 September</b>
			<b>2022</b>
The total service fees paid by the Redsun Business World to the Group	4,402	5,498	2,251

None of the actual amounts received above exceeded their respective annual caps for the two years ended 31 December 2021 and the nine months ended 30 September 2022. As far as the Directors are aware, it is expected that the actual amount for the year ending 31 December 2022 will not exceed the annual cap under the Existing Redsun Business World Management Services Agreement.

### ***Proposed annual caps and basis of determination for annual caps***

The proposed annual caps for the transactions contemplated under the New Redsun Business World Management Services Agreement for the year ending 31 December 2023 and the basis of determination for such annual caps are set out as follows:

**For the  
year ending  
31 December  
2023  
(RMB'000)**

Expected maximum aggregate service fees payable to the Group by the Redsun Business World pursuant to the New Redsun Business World Management Services Agreement	948
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The annual cap under the New Redsun Business World Management Services Agreement are determined with reference to the following factors:

- (i) the historical transaction amounts in respect of the management services provided by the Group to the Redsun Business Worlds during the term of the Existing Redsun Business World Management Services Agreement;
- (ii) the service fees based on existing contract entered into between the Group and Redsun Business World;
- (iii) taking into account of the development stage of each of the commercial properties, inflation rate and expected operational costs increase in relation to the operation of each of the commercial properties for the year ending 31 December 2023.

### **INTERNAL CONTROL**

The Group has implemented the following internal control measures for monitoring the pricing and other terms of the continuing connected transactions, including the transactions contemplated under the New Continuing Connected Transactions and for ensuring that the transactions conducted under such agreements will be entered into based on normal commercial terms:

- (1) Before entering into the continuing connected transactions of the Group, the procurement department of the Group will review and verify whether the price is fair and reasonable. In addition, if the pricing terms in respect of the relevant agreement are applied for the first time or the pricing terms are different from those applied previously, the cost management department of the Group also reviews the above works conducted by the procurement department when settling the agreements.

- (2) The financial management department of the Group is mainly responsible for reviewing and monitoring the continuing connected transactions to ensure that the annual caps of the relevant continuing connected transactions would not be exceeded and are implemented pursuant to the pricing policy or mechanism under the respective framework agreements. The financial management department of the Group will consult the internal control units of the Group, external lawyers and compliance adviser regarding compliance issues of the continuing connected transactions.
- (3) The financial management department of the Group will prepare an annual report to the supervisor of the financial management department of the Group. The supervisor of the financial management department will report to the audit committee of the Group and submit a confirmation letter to the audit committee, confirming the continuing connected transactions of the Group (which are subject to the annual review and disclosure requirements under the Listing Rules) are all (a) entered into in the ordinary and usual course of business of the Group; (b) entered into on normal commercial terms or better; and (c) pursuant to the relevant agreements governing such transactions, entered into on the basis that the terms are fair and reasonable and are in the interests of the Shareholders as a whole; and the internal monitoring procedures of the Group regarding continuing connected transactions are adequate and effective in ensuring such transactions are conducted in such manner stated above. The audit committee will consider on such basis.

The Board is of the view that the above internal control measures can ensure that the continuing connected transactions of the Group under the New Continuing Connected Transactions are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION ON THE RELEVANT PARTIES**

### **The Group**

The Group is a well-recognized comprehensive community service provider in Jiangsu Province, the PRC. It is principally engaged in the provision of property management services, value-added services to non-property owners and community value-added services.

### **Redsun Properties**

Redsun Properties is a leading comprehensive property developer established in the Yangtze River Delta region and operating in the PRC, focusing on the development of residential properties and the development, operation and management of commercial and comprehensive properties.

### **Redsun Materials City**

Redsun Materials City is a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of Hong Yang Group Company and is ultimately held as to 100% by Mr. Zeng. It is principally engaged in leasing of commercial properties.

### **Jiangsu Hong Yang Commercial**

Jiangsu Hong Yang Commercial is a company established under the laws of the PRC with limited liability and is ultimately held as to 100% by Mr. Zeng. It is principally engaged in commercial properties leasing.

### **Shanghai Hong Yang Business**

Shanghai Hong Yang Business is a company established under the laws of the PRC with limited liability and is ultimately held as to 100% by Mr. Zeng. It is principally engaged in commercial properties leasing.

### **Redsun Business World**

Redsun Business World is a company established under the laws of the PRC with limited liability and is owned as to 100% by Ms. Zeng Suqing (曾素清), the sister of Mr. Zeng. It is principally engaged in leasing of commercial properties.

## **DIRECTORS' CONFIRMATION**

The Directors (excluding the independent non-executive Directors who will form their view after taking into account recommendations of the independent financial adviser) are of the view that the terms of each of the New Continuing Connected Transactions were determined through arm's length negotiations amongst the parties thereto, are based on normal commercial terms, and that the entering into of the New Continuing Connected Transactions is in the ordinary and usual course of business of the Group, and together with the proposed annual caps under each of the New Continuing Connected Transactions, are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Since Redsun Properties, Redsun Materials City, Jiangsu Hong Yang Commercial, Shanghai Hong Yang Business and Redsun Business World are associates of Mr. Zeng, Ms. Zeng Zixi, the daughter of Mr. Zeng and an executive Director, and Mr. Zeng Junkai, the son of Mr. Zeng and a non-executive Director, were deemed to have material interests in, and has abstained from voting on, the resolutions passed by the Board to approve (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the New Property Management Services Master Framework Agreement; (iii) the New Redsun Materials City Management Services Agreement; (iv) the New

Jiangsu Hong Yang Commercial Management Services Agreement; (v) the New Shanghai Hong Yang Business Management Services Agreement; and (vi) the New Redsun Business World Management Services Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in, or was required to abstain from voting on the resolutions passed by the Board to approve each of the New Continuing Connected Transactions and their respective proposed annual caps.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Zeng is the controlling Shareholder. Redsun Properties is indirectly held as to 71.88% by Mr. Zeng while Redsun Materials City, Jiangsu Hong Yang Commercial and Shanghai Hong Yang Business are indirectly wholly-owned as to 100% by Mr. Zeng and Redsun Business World is owned as to 100% by Ms. Zeng Suqing (曾素清), the sister of Mr. Zeng. Accordingly, each of Redsun Properties, Redsun Materials City, Jiangsu Hong Yang Commercial, Shanghai Hong Yang Business and Redsun Business World is therefore an associate of Mr. Zeng and in turn a connected person of the Company. The entering into of the New Continuing Connected Transactions constitute connected transactions of the Company.

### **The New Parking Space Sales and Leasing Agency Services Framework Agreement**

Since one or more of the applicable percentage ratios in respect of the proposed annual caps under the New Parking Space Sales and Leasing Agency Services Framework Agreement exceed 0.1% but are less than 5% on an annual basis, the transactions contemplated under the New Parking Space Sales and Leasing Agency Services Framework Agreement are subject to the reporting, annual review and announcement requirements but will be exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **The New Property Management Services Master Framework Agreement**

Since one or more of the applicable percentage ratios in respect of the proposed annual caps in respect of the Property Management Services under the New Property Management Services Master Framework Agreement for the three years ending 31 December 2025 exceed 5%, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**The New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement**

As the New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement were entered into by the Group with the associates of Mr. Zeng, namely Redsun Materials City, Jiangsu Hong Yang Commercial, Shanghai Hong Yang Business and Redsun Business World, in relation to the provision of management services to commercial properties, the transactions thereunder shall be aggregated pursuant to the requirements under Rule 14A.81 of the Listing Rules.

The aggregated annual caps under the New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement for each of the three years ending 31 December 2025 are as follows:

	<b>For the year ending 31 December 2023 (RMB'000)</b>	<b>For the year ending 31 December 2024 (RMB'000)</b>	<b>For the year ending 31 December 2025 (RMB'000)</b>
Aggregated annual caps	102,410	105,952	109,189

Since one or more of the applicable percentage ratios in respect of the proposed aggregated annual caps in respect of the management and related services under the New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement exceed 5% on an annual basis, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement, circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In order to ensure the compliance of the requirements of Chapter 14A of the Listing Rules, during the period from 1 January 2022 to the date when the independent Shareholders' approval is obtained, the amount payable by the parties pursuant to the Non-exempt Continuing Connected Transactions is expected to fall below the de minimis threshold as stipulated under Rule 14A.76(2) of the Listing Rules, therefore such transactions will be exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules for continuing connected transactions and such information will be disclosed in the poll results announcement to be published for the EGM.

## **GENERAL INFORMATION**

In view of the above, the Company will seek the approval of the independent Shareholders in relation to the transactions contemplated under the Non-exempt Continuing Connected Transactions. Ordinary resolutions will be proposed at the EGM to approve by way of poll the Non-exempt Continuing Connected Transactions and their respective annual caps.

As at the date of this announcement, Redsun Services Group (Holdings) Limited is a controlling Shareholder, directly holding approximately 72.77% of the entire issued share capital of the Company. Redsun Services Group (Holdings) Limited is wholly owned by Hong Yang Group Company Limited, which in turn is wholly owned by Hong Yang International Limited, which in turn is owned as to 50% and 50% by Hong Yang Group (Holdings) Limited (a company wholly owned by Mr. Zeng) and Mr. Zeng Huansha, respectively. Accordingly, Redsun Services Group (Holdings) Limited and its associates will be required to abstain from voting on the ordinary resolutions to be proposed at the EGM in respect of the Non-exempt Continuing Connected Transactions and their respective annual caps.

The Company has established the Independent Board Committee to consider whether the Non-exempt Continuing Connected Transactions are entered into on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company has appointed Altus Capital Limited as the independent financial adviser to advise the Independent Board Committee and independent Shareholders. The Company will convene a general meeting in due course.

A circular containing, among other things, (i) further details of the Non-exempt Continuing Connected Transactions contemplated and the respective annual caps; (ii) the letter from the independent financial advisor in which the independent financial advisor provides advice and recommendation to the Independent Board Committee; (iii) recommendation from the Independent Board Committee to the independent Shareholders; and (iv) a notice of the general meeting, is expected to be despatched to the Shareholders on or before 3 January 2023.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Redsun Services Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1971)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider, among other things, the ordinary resolutions to be proposed to approve the Non-exempt Continuing Connected Transactions
“Existing Continuing Connected Transactions”	collectively, (i) the Existing Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the Existing Property Management Services Master Framework Agreement; (iii) the Existing Redsun Materials City Management Services Agreement; and (iv) the Existing Redsun Business World Management Services Agreement
“Existing Parking Space Sales and Leasing Agency Services Framework Agreement”	the existing parking space sales and leasing agency services framework agreement dated 11 March 2020 entered into between Nanjing Hong Yang Property Management and Redsun Properties in relation to the provision of parking space sales and leasing agency services by Nanjing Hong Yang Property Management Group to Redsun Properties and its associates for a term from 11 March 2020 to 31 December 2022

“Existing Property Management Services Master Framework Agreement”	the existing property management services master framework agreement dated 11 March 2020 entered into between Nanjing Hong Yang Property Management and Redsun Properties in relation to the provision of property management services by Nanjing Hong Yang Property Management Group to Redsun Properties and its associates for a term from 11 March 2020 to 31 December 2022
“Existing Redsun Business World Management Services Agreement”	the existing management services agreement dated 16 June 2020 entered into between the Company and Redsun Business World in relation to the provision of management services by the Company to the commercial complex of Redsun Business World for a term from 7 July 2020 to 31 December 2022
“Existing Redsun Materials City Management Services Agreement”	the existing framework management services agreement dated 16 June 2020 entered into between the Company and Redsun Materials City in relation to the provision of management services to commercial properties by the Company to Redsun Materials City Group before Restructuring for a term from 7 July 2020 to 31 December 2022
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Yang Group Company”	Hong Yang Group Company Limited (弘陽集團有限公司), a limited liability company incorporated in Hong Kong on 22 October 2003, and a controlling Shareholder
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors (namely, Ms. Wang Fen, Mr. Li Xiaohang and Mr. Zhao Xianbo) established for the purpose of reviewing the Non-exempt Continuing Connected Transactions
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules
“Jiangsu Hong Yang Commercial”	Jiangsu Hong Yang Commercial (Group) Co., Ltd. (江蘇弘陽商業(集團)有限公司), a limited liability company established in the PRC on 4 July 2006, and an indirect wholly-owned subsidiary of Mr. Zeng

“Jiangsu Hong Yang Commercial Group”	Jiangsu Hong Yang Commercial and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Zeng”	Mr. Zeng Huansha (曾煥沙), founder of the Group and a controlling Shareholder
“Nanjing Hong Yang Property Management”	Nanjing Hong Yang Property Management Co., Ltd. (南京弘陽物業管理有限公司), a limited liability company established in the PRC on 30 July 2003, and an indirect wholly-owned subsidiary of the Company
“Nanjing Hong Yang Property Management Group”	Nanjing Hong Yang Property Management and its subsidiaries
“New Continuing Connected Transactions”	collectively, (i) the New Parking Space Sales and Leasing Agency Services Framework Agreement; (ii) the New Property Management Services Master Framework Agreement; (iii) the New Redsun Materials City Management Services Agreement; (iv) the New Jiangsu Hong Yang Commercial Management Services Agreement; (v) the New Shanghai Hong Yang Business Management Services Agreement and (vi) the New Redsun Business World Management Services Agreement
“New Jiangsu Hong Yang Commercial Management Services Agreement”	the framework management services agreement dated 8 December 2022 entered into between the Company and Jiangsu Hong Yang Commercial in relation to the provision of management services to commercial properties by the Company to Jiangsu Hong Yang Commercial Group for a term from 1 January 2023 to 31 December 2025
“New Parking Space Sales and Leasing Agency Services Framework Agreement”	the parking space sales and leasing agency services framework agreement dated 8 December 2022 entered into between the Company and Redsun Properties in relation to the provision of parking space sales and leasing agency services by the Group to Redsun Properties and its associates for a term from 1 January 2023 to 31 December 2025

“New Property Management Services Master Framework Agreement”	the property management services master framework agreement dated 8 December 2022 entered into between the Company and Redsun Properties in relation to the provision of property management services by the Group to Redsun Properties and its associates for a term from 1 January 2023 to 31 December 2025
“New Redsun Business World Management Services Agreement”	the management services agreement dated 8 December 2022 entered into between the Company and Redsun Business World in relation to the provision of management services by the Company to the commercial complex of Redsun Business World for a term from 1 January 2023 to 31 December 2023
“New Redsun Materials City Management Services Agreement”	the framework management services agreement dated 8 December 2022 entered into between the Company and Redsun Materials City in relation to the provision of management services to commercial properties by the Company to Redsun Materials City Group for a term from 1 January 2023 to 31 December 2025
“New Shanghai Hong Yang Business Management Services Agreement”	the framework management services agreement dated 8 December 2022 entered into between the Company and Shanghai Hong Yang Business in relation to the provision of management services to commercial properties by the Company to Shanghai Hong Yang Business Group for a term from 1 January 2023 to 31 December 2025
“Non-exempt Continuing Connected Transactions”	the transactions contemplated under the New Property Management Services Master Framework Agreement, the New Redsun Materials City Management Services Agreement, the New Jiangsu Hong Yang Commercial Management Services Agreement, the New Shanghai Hong Yang Business Management Services Agreement and the New Redsun Business World Management Services Agreement
“PRC”	the People’s Republic of China
“Property Management Services”	the scope of services contemplated to be provided by members of the Group to Redsun Properties and its associates under the New Property Management Services Master Framework Agreement, as described in the paragraph headed “The New Property Management Services Master Framework Agreement — Scope of Services”
“Prospectus”	the prospectus of the Company dated 24 June 2020

“Redsun Business World”	Nanjing Redsun Business World Co., Ltd. (南京紅太陽商業大世界有限公司), a limited liability company established in the PRC on 16 April 1999 and an associate of Mr. Zeng
“Redsun Materials City”	Jiangsu Redsun Industrial Raw Materials City Co., Ltd. (江蘇紅太陽工業原料城有限公司), a limited liability company established in the PRC on 21 June 2005 and an indirect wholly-owned subsidiary of Hong Yang Group Company
“Redsun Materials City Group”	Redsun Materials City and its subsidiaries
“Redsun Materials City Group before Restructuring”	Redsun Materials City and its subsidiaries (including Jiangsu Hong Yang Commercial and Nanjing Home Furnishing Co., Ltd. (南京弘陽家居有限公司) (a subsidiary of Shanghai Hong Yang Business))
“Redsun Properties”	Redsun Properties Group Limited (弘陽地產集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 21 December 2017, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1996)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Hong Yang Business”	Shanghai Hongyanghui Business Management Co., Ltd. (上海弘陽匯商業管理有限公司), a limited liability company established in the PRC on 15 January 2019, and an indirect wholly-owned subsidiary of Mr. Zeng
“Shanghai Hong Yang Business Group”	Shanghai Hong Yang Business and its subsidiaries
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

On behalf of the Board  
**Redsun Services Group Limited**  
**Zeng Junkai**  
*Chairman*

Hong Kong, 8 December 2022

*As of the date of this announcement, Mr. Zeng Junkai is the non-executive Director; Ms. Zeng Zixi is the executive Director; and Ms. Wang Fen, Mr. Li Xiaohang and Mr. Zhao Xianbo are the independent non-executive Directors.*