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**華潤萬象生活有限公司**

**China Resources Mixc Lifestyle Services Limited**

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

**(Stock Code: 1209)**

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the prospectus of the Company dated 25 November 2020 in relation to the 2020 Continuing Connected Transaction Agreements and the announcement of the Company dated 25 October 2022 in relation to the revision of annual caps for certain continuing connected transactions for the year ending 31 December 2022. As the 2020 Continuing Connected Transaction Agreements will expire on 31 December 2022, the Company has entered into the 2023 Continuing Connected Transaction Agreements on 25 October 2022 to renew the agreements and the annual caps.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, (1) the Company is held as to approximately 72.29% by CR Land; (2) CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited; and (3) CR Bank is held as to approximately 70.28% indirectly by China Resources Company Limited. Accordingly, CR Land, CRH and CR Bank and their respective associates are connected persons of the Company under the Listing Rules.

### **A. PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS**

As one or more of the applicable percentage ratios for the transactions contemplated under the 2023 Continuing Connected Transaction Agreements referred to in the section headed “II. Renewal of Continuing Connected Transactions – A. Partially Exempt Continuing Connected Transactions” of this announcement exceed 0.1% but none of them exceeds 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

As one or more of the applicable percentage ratios for the transactions contemplated under the 2023 Continuing Connected Transaction Agreements referred to in the section headed “II. Renewal of Continuing Connected Transactions – B. Non-exempt Continuing Connected Transactions” of this announcement exceed 5%, the transactions contemplated thereunder are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **I. BACKGROUND**

Reference is made to the prospectus of the Company dated 25 November 2020 in relation to the 2020 Continuing Connected Transaction Agreements and the announcement of the Company dated 25 October 2022 in relation to the revision of annual caps for certain continuing connected transactions for the year ending 31 December 2022. As the 2020 Continuing Connected Transaction Agreements will expire on 31 December 2022, the Company has entered into the 2023 Continuing Connected Transaction Agreements on 25 October 2022 to renew the agreements and the annual caps.

### **II. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

#### **A. PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS**

##### **1. 2023 CR LAND PROPERTY LEASING FRAMEWORK AGREEMENT**

Parties	:	The Company and CR Land
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025
Subject	:	(1) The Group may, from time to time, lease certain properties from the CR Land Connected Persons as office and/or employee quarter(s) for its own use or as operating lease for its operating purpose;

- (2) the CR Land Connected Persons may, from time to time, lease certain properties from the Group as office for its own use; and
- (3) the CR Land Connected Persons may, from time to time, lease certain retail spaces managed by the Group as tenants under the commercial subleasing model.

Pricing basis : *For leasing by the Group and leasing by the CR Land Connected Persons for its own use or for its operating purpose*

Subject to any guidance price which may be imposed by the governmental authorities, the rent shall be determined after arm's length negotiations with reference to (i) the location, quality and size of the properties, and (ii) the prevailing market rent of such comparable properties, in particular, those offered to the Group/the CR Land Connected Persons by Independent Third Parties for comparable properties.

*For leasing by the CR Land Connected Persons under the commercial subleasing model*

The rent shall include the provision of property management services by the Group to the CR Land Connected Persons as tenants under the commercial subleasing model and, subject to any guidance price which may be imposed by the governmental authorities, will be determined after arm's length negotiations with reference to (i) the location, quality and size of the properties, (ii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, and (iii) the prevailing market rent and the price offered by the Group to Independent Third Parties for similar services.

## Historical Transaction Amount under the 2020 CR Land Property Leasing Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December				For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
The Group leasing from the CR Land Connected Persons <sup>(1)</sup>	86,396	58,857	96,459	24,544	108,357	1,458
– estimated recognition of right-of-use assets	83,435	58,370	91,778	18,873	100,956	0
– estimated rental payment	2,961	487	4,681	5,671 <sup>(2)</sup>	7,400	1,458
The CR Land Connected Persons leasing from the Group	0	0	5,175	0	13,662	0
The CR Land Connected Persons leasing from the Group under the commercial subleasing model	4,167	1,567	20,072	4,624	24,087	1,016

### Notes:

- (1) According to HKFRS 16, the rent payable by the Group contains different components and therefore different accounting treatments shall be applied. The fixed lease payments payable by the Group will be recognised as right-of-use assets of the Group and the variable lease payments payable by the Group will be recognised as expenses of the Group.
- (2) While the historical rental amount recognized as rental payment for the year ended 31 December 2021 exceeded the estimated rental payment slightly, the total rental amount (i.e. the right-of-use assets component and the rental payment component) paid by the Group to the CR Land Connected Persons did not exceed the annual cap for the total rental amount for the same period.

## **Annual Caps under the 2023 CR Land Property Leasing Framework Agreement and Basis of Determination**

The maximum aggregate annual amount in respect of the 2023 CR Land Property Leasing Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	<b>Annual caps for the year ending 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The Group leasing from the CR Land Connected Persons <sup>(1)</sup>	110,000	132,000	155,000
– estimated recognition of right-of-use assets	<i>100,000</i>	<i>120,000</i>	<i>140,000</i>
– estimated rental payment	<i>10,000</i>	<i>12,000</i>	<i>15,000</i>
The CR Land Connected Persons leasing from the Group	15,000	17,000	20,000
The CR Land Connected Persons leasing from the Group under the commercial subleasing model	20,000	30,000	50,000

*Note:*

- (1) According to HKFRS 16, the rent payable by the Group contains different components and therefore different accounting treatments shall be applied. The fixed lease payments payable by the Group will be recognised as right-of-use assets of the Group and the variable lease payments payable by the Group will be recognised as expenses of the Group.

The above annual caps for:

- (1) leasing by the Group are determined with reference to (a) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022, (b) the terms and conditions, particularly the committed floor area and rental fees, under the existing lease agreements, (c) any new locations that may be rented by the Group, (d) the Group's expansion plan and the needs for office spaces and/or employee quarters in the future, and (e) the expected increment in rental for the relevant properties;
- (2) leasing by the CR Land Connected Persons are determined with reference to the expected area to be leased to the CR Land Connected Persons; and
- (3) leasing by the CR Land Connected Persons under the commercial subleasing model are determined with reference to (a) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022, (b) the terms and conditions, particularly the committed floor area and rental fees, under the existing lease agreements, (c) the expected opening of Lanzhou MIXC in the fourth quarter of 2022 (which is to be operated and managed under the commercial subleasing model with an estimated GFA of approximately 157,000 sq. m.), (d) the expected increase in demand by the CR Land Connected Persons taking into account that three new projects (which are to be operated and managed under the commercial subleasing model with an estimated GFA of approximately 300,000 sq. m.) are expected to commence during the three years ending 31 December 2025, and (e) the expected increment in rental and property management fees of the properties.

## 2. 2023 CRH PROPERTY LEASING FRAMEWORK AGREEMENT

- Parties : The Company and CRH
- Date : 25 October 2022
- Term : Commencing from 1 January 2023 to 31 December 2025
- Subject : (1) The Group may, from time to time, lease certain properties from the CRH Connected Persons as office for its own use; and
- (2) the CRH Connected Persons may, from time to time, lease certain retail spaces managed by the Group as tenants under the commercial subleasing model.
- Pricing basis : *For leasing by the Group for its own use*

Subject to any guidance price which may be imposed by the governmental authorities, the rent shall be determined after arm's length negotiations with reference to (i) the location, quality and size of the properties, and (ii) the prevailing market rent of such comparable properties, in particular, those offered to the Group by Independent Third Parties for comparable properties.

*For leasing by the CRH Connected Persons under the commercial subleasing model*

The rent shall include the provision of property management services by the Group to the CRH Connected Persons as tenants under the commercial subleasing model and, subject to any guidance price which may be imposed by the governmental authorities, will be determined after arm's length negotiations with reference to (i) the location, quality and size of the properties, (ii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, and (iii) the prevailing market rent and the price offered by the Group to Independent Third Parties for similar services.

## Historical Transaction Amount under the 2020 CRH Property Leasing Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December 2020		For the year ended/ending 31 December 2021		For the year ended/ending 31 December 2022		For the six months ended 30 June 2022
	RMB'000		RMB'000		RMB'000		
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount	Historical amount
The Group leasing from the CRH connected Persons <sup>(1)</sup>	12,851	0	16,256	387	20,564	0	
– estimated recognition of right-of-use assets	12,851	0	16,256	387	20,564	0	
– estimated rental payment	0	0	0	0	0	0	
The CRH Connected Persons leasing from the Group under the commercial subleasing model	11,963	7,923	21,534	8,728	34,454	4,282	

*Note:*

- <sup>(1)</sup> According to HKFRS 16, the rent payable by the Group contains different components and therefore different accounting treatments shall be applied. The fixed lease payments payable by the Group will be recognised as right-of-use assets of the Group and the variable lease payments payable by the Group will be recognised as expenses of the Group.



## **Annual Caps under the 2023 CRH Property Leasing Framework Agreement and Basis of Determination**

The maximum aggregate annual amount in respect of the 2023 CRH Property Leasing Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	<b>Annual caps for</b>		
	<b>the year ending 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The Group leasing from the CRH			
Connected Persons <sup>(1)</sup>	31,000	41,300	51,600
– estimated recognition of right-of-use assets	30,000	40,000	50,000
– estimated rental payment	1,000	1,300	1,600
 The CRH Connected Persons leasing from the Group under the commercial subleasing model	 35,000	 63,000	 110,000

*Note:*

- <sup>(1)</sup> According to HKFRS 16, the rent payable by the Group contains different components and therefore different accounting treatments shall be applied. The fixed lease payments payable by the Group will be recognised as right-of-use assets of the Group and the variable lease payments payable by the Group will be recognised as expenses of the Group.

The above annual caps for:

- (1) leasing by the Group are determined with reference to (a) the market rent of comparable properties and (b) the expected increase in demand by the Group; and
- (2) leasing by the CRH Connected Persons under the commercial subleasing model are determined with reference to (a) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022, (b) the terms and conditions, particularly the committed floor area, the rental and property management fees, under the existing lease agreements, (c) the expected opening of Lanzhou MIXC in the fourth quarter of 2022 (which is to be operated and managed under the commercial subleasing model with an estimated GFA of approximately 157,000 sq. m.), (d) the expected increase in demand by the CRH Connected Persons taking into account that three new projects (which are to be operated and managed under the commercial subleasing model with an estimated GFA of approximately 300,000 sq. m.) are expected to commence during the three years ending 31 December 2025, and (e) the expected increment in rental and property management fees of the properties.

### **3. 2023 PARKING SPACES PURCHASE FRAMEWORK AGREEMENT**

Parties	:	The Company and CR Land
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025
Subject	:	The Group may, from time to time, enter into transactions to purchase the ownership of and/or the right to use certain unsold parking spaces which are owned by the CR Land Connected Persons.

Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the consideration for each of the purchases shall be determined on an arm's length basis, with reference to, among other things, the prevailing market value of comparable parking spaces having regards to the size, type, location and the number of the parking spaces to be purchased, and in particular, the selling price of parking spaces previously sold by the CR Land Connected Persons to end users.

### **Historical Transaction Amount under the 2020 Parking Spaces Purchase Framework Agreement**

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December		For the year ended/ending 31 December		For the six months ended 30 June	
	2020		2021		2022	
	<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>	
	Historical	Historical	Historical	Historical	Historical	Historical
	Annual cap	amount	Annual cap	amount	Annual cap	amount
Purchase amount	232,068	117,218	350,000	54,810	350,000	49,415

### **Annual Caps under the 2023 Parking Spaces Purchase Framework Agreement and Basis of Determination**

The maximum aggregate annual purchase amount in respect of the 2023 Parking Spaces Purchase Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	Annual caps for the year ending		
	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchase amount	440,000	440,000	440,000

The above annual caps are made with reference to:

- (1) the number of parking spaces estimated to be in reserve/carried over from the previous year. As of 30 September 2022, the Group had approximately 3,500 parking spaces;
- (2) the Group's sale plan for the respective year based on the estimated volume of the CR Land Connected Persons' unsold parking spaces. As of 30 September 2022, CR Land had approximately 193,000 parking spaces;
- (3) the estimated GFA of the unsold car parks in the next three years based on the estimated additional total GFA under management for residential properties of approximately 20 million sq. m. being delivered by CR Land Connected Persons each year;
- (4) the rate by which newly developed projects reach satisfactory level of resident occupancy rate in order for the Group to commence purchasing unsold car parking space;
- (5) the expected increase in purchase price; and
- (6) the Group's initiative in expanding the asset investment services under the community value-added services to the extent practicable and profitable.

#### **4. 2023 CRH PROCUREMENT FRAMEWORK AGREEMENT**

Parties	:	The Company and CRH
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025
Subject	:	(1) The Group may, from time to time, procure from the CRH Connected Persons certain types of goods and services which include staff uniforms, food items, utilities (gas and electricity) and technical services which are aggregated by the Group to streamline the Group's management of these transactions; and

- (2) the CRH Connected Persons may, from time to time, procure from the Group marketing services for the respective users in the CR Life Club (華潤通) through points conversion.

Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the consideration for the procurement of goods and services shall be determined on an arm's length basis by the parties with reference to the prevailing market price, the quantity and quality of the supplies, products and services as well as other terms such as payment terms.

### Historical Transaction Amount under the 2020 CRH Procurement Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December		For the year ended/ending 31 December		For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Purchase amount by the Group	68,550	34,641	101,662	59,039	151,476	18,907
Purchase amount by the CRH Connected Persons	115	19	253	118	278	173

## **Annual Caps under the 2023 CRH Procurement Framework Agreement and Basis of Determination**

The maximum aggregate annual purchase amount in respect of the 2023 CRH Procurement Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	<b>Annual caps for the year ending 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchase amount by the Group	200,000	260,000	330,000
Purchase amount by the CRH Connected Persons	65,000	85,000	110,000

The above annual caps are determined with reference to:

- (1) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022;
- (2) the expected increase in the Group's demand for the relevant supplies, products and services of the CRH Connected Persons as the Group expands the business (including the organic growth in the number of employees, the increase in project numbers and the addition of "MIXC Star" (萬象星) bonus point brand leading to an increase in scale of redemption in CR Life Club);
- (3) the expected increase in the CRH Connected Persons' demand in services of the Group (including the addition of "MIXC Star" (萬象星) bonus point brand leading to an increase in scale of redemption in CR Life Club); and
- (4) the expected increment in the average market price of the supplies, products and services in the three years ending 31 December 2025.

## 5. 2023 CRH COMMERCIAL OPERATIONAL SERVICES FRAMEWORK AGREEMENT

Parties : The Company and CRH

Date : 25 October 2022

Term : Commencing from 1 January 2023 to 31 December 2025

Subject : The Group may, from time to time, provide commercial operational services to the CRH Connected Persons for their commercial properties (including shopping malls and office buildings).

The commercial operational services include (i) pre-opening management services (such as positioning and design management services, and tenant sourcing and management services) and (ii) operation management services (such as opening preparation services, tenant coaching, consumer management, marketing and promotion and product informationization services).

Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the service fees shall be determined after arm's length negotiations with reference to (i) the location and size of the properties, (ii) the branding and positioning of the properties, (iii) the scope and standard of the services to be provided, (iv) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, and (v) the prevailing market rate for similar services.

## Historical Transaction Amount under the 2020 CRH Commercial Operational Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December		For the year ended/ending 31 December		For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Service fees received/to be received by the Group	11,160	6,521	142,984	74,958	147,612	27,909 <sup>(1)</sup>

Note:

- (1) Service fees in relation to commercial operational services for all shopping malls and office buildings for the six months ended 30 June 2022 were lowered than expected as a result of the rental reduction provided by the shopping malls and office buildings during the same period.

## Annual Caps under the 2023 CRH Commercial Operational Services Framework Agreement and Basis of Determination

The maximum aggregate annual service fees in respect of the 2023 CRH Commercial Operational Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	Annual caps for the year ending 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Service fees to be received by the Group	170,000	220,000	280,000



The above annual caps are determined with reference to:

- (1) the existing contracts and the number of existing pipeline projects with the CRH Connected Persons as of the date of this announcement taking into account that six new projects (with an estimated GFA of approximately 300,000 sq. m.) are expected to commence during the three years ending 31 December 2025;
- (2) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022;
- (3) the expected increase in the operational costs as incurred by the Group;
- (4) the expected financial performance of the commercial properties to which the commercial operational services will be provided; and
- (5) the expected increase in the CRH Connected Persons' demand, including the demand for product informationization services.

## **6. 2023 CRH VALUE-ADDED SERVICES FRAMEWORK AGREEMENT**

Parties	:	The Company and CRH
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025
Subject	:	The Group may from time to time, provide value-added services to the CRH Connected Persons for the residential properties and other non-commercial properties developed and/or owned by them.

The value-added services include community value-added services (such as community living services and brokerage and assets services) and value-added services to property developers (such as consultancy services, preliminary preparation services and pre-delivery marketing services).

Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the service fees shall be determined after arm's length negotiations between the parties with reference to (i) the scope and standard of the services to be provided, (ii) the type, location and size of the properties, (iii) the anticipated operational costs (including, among others, labor costs, material costs and administrative costs) for providing such services, and (iv) the charging rates generally offered by the Group to Independent Third Parties for similar services taking into account the prevailing market rates for similar services in the open market and the historical charging rates.

### Historical Transaction Amount under the 2020 CRH Value-added Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December				For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Fees received/to be received by the Group for the community value-added services	1,392	509	6,124	454	20,000 <sup>(1)</sup>	6,883
Fees received/to be received by the Group for the value-added services to property developers	21,240	9,263	27,790	1,123	29,463 <sup>(1)</sup>	0
<b>Total</b>	<b>22,632</b>	<b>9,772</b>	<b>33,914</b>	<b>1,577</b>	<b>49,463<sup>(1)</sup></b>	<b>6,883</b>

Note:

(1) Please refer to the announcement of the Company dated 25 October 2022 in relation to the revision of annual caps for the year ending 31 December 2022 for details.

## Annual Caps under the 2023 CRH Value-added Services Framework Agreement and Basis of Determination

The maximum aggregate annual service fees in respect of the 2023 CRH Value-added Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	Annual caps for the year ending		
	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees to be received by the Group for the community value-added services	50,000	80,000	130,000
Fees to be received by the Group for the value-added services to property developers	<u>15,000</u>	<u>20,000</u>	<u>25,000</u>
<b>Total</b>	<b><u>65,000</u></b>	<b><u>100,000</u></b>	<b><u>155,000</u></b>

The above annual caps are determined with reference to:

- (1) the existing contracts as of the date of this announcement;
- (2) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022;
- (3) the expected increase in the operational costs as incurred by the Group; and
- (4) the expected increase in the CRH Connected Persons' demand for the Group's services, estimated based on (a) the historical trend of the value-added services to property developers and community value-added services for the two years ended 31 December 2021 and the six months ended 30 June 2022, and (b) the estimated additional total GFA under management for residential properties and other non-commercial properties of approximately 25 million sq. m. being delivered by the CRH Connected Persons for each of the years ending 31 December 2023, 2024 and 2025.

## 7. 2023 CR LAND PROCUREMENT FRAMEWORK AGREEMENT

Parties	:	The Company and CR Land
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025
Subject	:	The Group may, from time to time, procure from the CR Land Connected Persons certain types of goods and services which include interior design and construction, purchase of furniture and fixtures, utilities (water and electricity) and technical services.
Pricing basis	:	Subject to any guidance price which may be imposed by the governmental authorities, the consideration shall be determined on an arm's length basis by the parties with reference to the prevailing market price, the quantity and quality of the supplies, products and services as well as other terms such as payment terms.

### Historical Transaction Amount under the 2020 CR Land Procurement Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December		For the year ended/ending 31 December		For the six
	2020		2021		months
	RMB'000		RMB'000		ended
	Annual cap	Historical amount	Annual cap	Historical amount	30 June
Purchase amount by the Group	299,111	141,033	590,954	99,412	860,366
					97,443

## **Annual Caps under the 2023 CR Land Procurement Framework Agreement and Basis of Determination**

The maximum aggregate annual purchase amount in respect of the 2023 CR Land Procurement Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	<b>Annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchase amount by the Group	400,000	420,000	440,000

The above annual caps are determined with reference to the following considerations:

- (1) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022;
- (2) the expected demand of the Group for the relevant supplies, products and services, including the Group's demand for supplies, products and services before project commencement under the commercial subleasing model;
- (3) the estimated additional total GFA under management for residential properties being delivered by CR Land Connected Persons of approximately 20 million sq. m. each year for 2023, 2024 and 2025; and
- (4) the expected increment in the average market price of the supplies, products and services in the three years ending 31 December 2025.

## **8. 2023 DEPOSIT AND FINANCIAL SERVICES FRAMEWORK AGREEMENT**

- Parties : The Company and CR Bank
- Date : 25 October 2022
- Term : Commencing from 1 January 2023 to 31 December 2025
- Subject : The Group may, from time to time:
- (1) deposit cash into CR Bank while CR Bank will provide deposit services and pay deposit interest to the Group on such deposits; and
  - (2) use the commercial banking services of CR Bank including, but not limited to, letter of credit, letter of guarantee, granting of loans with collaterals, bill acceptance and discount services, account receivable factoring services, provision of loans and security, wealth and cash management services, financial consulting service and other financial services as agreed by the parties.
- Pricing basis : Any deposit, financial services and products made with CR Bank will bear the same interest rate and be on the same terms and conditions as would apply to a similar deposit, financial services and/or products made by any other customer of CR Bank, which rates are determined with reference to such other more preferential rates.

## Historical Transaction Amount under the 2020 Deposit and Financial Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December				For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Maximum daily balance of deposits placed/to be placed by the Group with CR Bank	525,000	411,700	525,000	448,839	525,000	415,600
Maximum daily amount of financial services and products provided/to be provided by CR Bank	821,429	0	821,429	0	821,429	0

## Annual Caps under the 2023 Deposit and Financial Services Framework Agreement and Basis of Determination

The maximum daily balance of deposit placed by the Group with CR Bank and the maximum daily amount of financial services and products provided by CR Bank (excluding deposit service and financial services provided by CR Bank where only the fees and commissions paid by the Group are used to calculate the relevant percentage ratios) in respect of the 2023 Deposit and Financial Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	Annual caps for the year ending 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Maximum daily balance of deposits to be placed by the Group with CR Bank	700,000	700,000	700,000
Maximum daily amount of financial services and products to be provided by CR Bank	500,000	500,000	500,000

Such maximum daily amount is applicable for each day during the relevant year, and such maximum daily amount is calculated on an individual basis as outstanding at the end of each day during the relevant year without aggregating with the daily amount incurred on the days before.

It is expected that the aggregate annual amount of fees and commissions paid by the Group for the financial services provided by CR Bank during the term of the 2023 Deposit and Financial Services Framework Agreement will not exceed 0.1% of the relevant percentage ratios and these arrangements will constitute de minimis transactions under the Listing Rules.

The above annual caps are determined with reference to:

- (1) the historical maximum daily balances of the deposits which we placed with CR Bank for the two years ended 31 December 2021 and the six months ended 30 June 2022;
- (2) current and expected future cash flow position of the Group in light of the estimated scale of business operation and demand for deposit services in the future; and
- (3) the Group's business needs and the expected level of services to be received from CR Bank.

## **B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

### **9. 2023 CR LAND PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

Parties	:	The Company and CR Land
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025, subject to the Independent Shareholders' approval
Subject	:	The Group may, from time to time, provide property management services to the CR Land Connected Persons for the residential and/or commercial properties and other properties developed and/or owned by them.



Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the property management fees shall be determined pursuant to the relevant bidding/selection process and after arm's length negotiations with reference to (i) the type, location and size of the properties, (ii) the branding and positioning of the properties, (iii) the scope and standard of the services to be provided, (iv) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, (v) the customers profile, and (vi) the prevailing market rate for similar services in the open market and the historical charging rates.

### Historical Transaction Amount under the 2020 CR Land Property Management Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December		For the year ended/ending 31 December		For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Property management fees received/ to be received by the Group (for commercial properties)	971,489	662,824	662,057	594,752	845,405	326,456
Property management fees received/ to be received by the Group (for residential properties and other non-commercial properties)	378,475	239,138	531,894	228,504	735,832	83,119
<b>Total</b>	<b>1,349,964</b>	<b>901,962</b>	<b>1,193,951</b>	<b>823,256</b>	<b>1,581,237</b>	<b>409,575</b>

## Annual Caps under the 2023 CR Land Property Management Services Framework Agreement and Basis of Determination

The maximum aggregate annual management fees in respect of the 2023 CR Land Property Management Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	Annual caps for the year ending		
	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property management fees to be received by the Group (for commercial properties)	1,300,000	1,450,000	1,600,000
Property management fees to be received by the Group (for residential properties and other non-commercial properties)	<u>525,000</u>	<u>725,000</u>	<u>1,015,000</u>
<b>Total</b>	<b><u>1,825,000</u></b>	<b><u>2,175,000</u></b>	<b><u>2,615,000</u></b>

The above annual caps are determined with reference to:

- (1) for property management fees for commercial properties specifically: the Group has entered into contracts for 80, 88 and 90 projects (with a GFA under management of approximately 8.4 million sq. m., 9.3 million sq. m. and 9.5 million sq. m.) for the years ending 31 December 2023, 2024 and 2025, respectively and is estimated to have 13, 10 and 8 additional projects (with a GFA under management of approximately 1.3 million sq. m., 1.3 million sq. m. and 0.8 million sq. m.) for the years ending 31 December 2023, 2024 and 2025, respectively;
- (2) for property management fees for residential properties and other non-commercial properties specifically: (a) the estimated GFA of the unsold properties for the years ending 31 December 2023, 2024 and 2025, based on the estimated additional total GFA under management for residential properties of approximately 20 million sq. m. being delivered by CR Land Connected Persons each year; (b) the historical average vacancy rate of the residential properties; and (c) the estimated fees per sq. m. at which management services will be charged;

- (3) the expected increase in the CR Land's demand with reference to its pipeline projects as disclosed in its 2022 interim report, pursuant to which, as of 30 June 2022, CR Land has (a) a total land bank GFA of 66.14 million sq. m. (among which, 55.44 million sq. m. are for development purpose and 10.70 million sq. m. are for investment purpose) which is sufficient for the development for the next three to five years, and (b) a total of 57 shopping mall projects in pipeline;
- (4) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022; and
- (5) the expected increase in the operational costs as incurred by the Group.

#### **10. 2023 CR LAND COMMERCIAL OPERATIONAL SERVICES FRAMEWORK AGREEMENT**

- Parties : The Company and CR Land
- Date : 25 October 2022
- Term : Commencing from 1 January 2023 to 31 December 2025, subject to the Independent Shareholders' approval
- Subject : The Group may, from time to time, provide commercial operational services to the CR Land Connected Persons for their commercial properties (including shopping malls and office buildings).

The commercial operational services include (i) pre-opening management services (such as positioning and design management services, and tenant sourcing and management services) and (ii) operation management services (such as opening preparation services, tenant coaching, consumer management, marketing and publicity and product informationization services).

Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the service fees shall be determined after arm's length negotiations with reference to (i) the location and size of the properties, (ii) the branding and positioning of the properties, (iii) the scope and standard of the services to be provided, (iv) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, and (v) the prevailing market rate of similar services.

### Historical Transaction Amount under the 2020 CR Land Commercial Operational Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December		For the year ended/ending 31 December		For the six months ended 30 June	
	2020		2021		2022	
	RMB'000		RMB'000		RMB'000	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Service fees received/to be received by the Group	904,638	819,190	1,581,347	1,458,262	1,807,973	694,001 <sup>(1)</sup>

Note:

- (1) Service fees in relation to commercial operational services for all shopping malls and office buildings for the six months ended 30 June 2022 were lowered than expected as a result of the rental reduction provided by the shopping malls and office buildings during the same period.

## **Annual Caps under the 2023 CR Land Commercial Operational Services Framework Agreement and Basis of Determination**

The maximum aggregate annual service fees in respect of the 2023 CR Land Commercial Operational Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	<b>Annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Service fees to be received by the Group	3,000,000	4,000,000	5,000,000

The above annual caps are determined with reference to:

- (1) the existing contracts and the number of existing pipeline projects with the CR Land Connected Persons as of the date of this announcement. The Group has entered into contracts for 100, 111 and 116 projects (with a GFA under management of approximately 10.2 million sq. m., 11.6 million sq. m. and 12.1 million sq. m.) for the years ending 31 December 2023, 2024 and 2025, respectively and is estimated to have 4, 7 and 5 additional projects (with a GFA under management of approximately 0.4 million sq. m., 0.9 million sq. m. and 0.5 million sq. m.) for the years ending 31 December 2023, 2024 and 2025, respectively;
- (2) the historical transaction amount for two years ended 31 December 2021 and the six months ended 30 June 2022;
- (3) the expected increase in the operational costs as incurred by the Group;
- (4) the expected financial performance of the commercial properties to which the commercial operational services are/will be provided; and
- (5) the expected increase in CR Land's demand with reference to its pipeline projects as disclosed in its 2022 interim report, pursuant to which, as of 30 June 2022, CR Land has (a) a total land bank GFA of 66.14 million sq. m. (among which, 55.44 million sq. m. are for development purpose and 10.70 million sq. m. are for investment purpose) which is sufficient for the development for the next three to five years; and (b) a total of 57 shopping mall projects in pipeline.

## 11. 2023 CR LAND VALUE-ADDED SERVICES FRAMEWORK AGREEMENT

- Parties : The Company and CR Land
- Date : 25 October 2022
- Term : Commencing from 1 January 2023 to 31 December 2025, subject to the Independent Shareholders' approval
- Subject : The Group may, from time to time, provide value-added services to the CR Land Connected Persons for the residential properties and other non-commercial properties developed and/or owned by them.

The value-added services include community value-added services (such as community living services and brokerage and assets services) and value-added services to property developers (such as consultancy services, preliminary preparation services and pre-delivery marketing services).

- Pricing basis : Subject to any guidance price which may be imposed by the governmental authorities, the service fees shall be determined after arm's length negotiations between the parties with reference to (i) the scope and standard of services to be provided, (ii) the type, location and size of the properties, (iii) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, and (iv) the charging rates generally offered by the Group to Independent Third Parties for similar services, taking into account of the prevailing market rates for similar services in the open market and the historical charging rates.

## Historical Transaction Amount under the 2020 CR Land Value-added Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December				For the six months ended 30 June	
	2020		2021		2022	
	<i>RMB'000</i>		<i>RMB'000</i>		<i>RMB'000</i>	
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount
Fees received/to be received by the Group for the community value-added services	51,880	24,614	91,700	46,807	110,604	94,958
Fees received/to be received by the Group for the value-added services to property developers	660,289	532,350	863,897	739,559	915,919	277,883
<b>Total</b>	<b>712,169</b>	<b>556,964</b>	<b>955,597</b>	<b>786,366</b>	<b>1,026,523</b>	<b>372,841</b>

## **Annual Caps under the 2023 CR Land Value-added Services Framework Agreement and Basis of Determination**

The maximum aggregate annual service fees in respect of the 2023 CR Land Value-added Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	<b>Annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees to be received by the Group for the community value-added services	300,000	450,000	700,000
Fees to be received by the Group for the value-added services to property developers	<u>1,250,000</u>	<u>1,550,000</u>	<u>1,850,000</u>
<b>Total</b>	<u><b>1,550,000</b></u>	<u><b>2,000,000</b></u>	<u><b>2,550,000</b></u>

The above annual caps are determined with reference to:

- (1) for value-added services to property developers specifically: the existing contracts as of the date of this announcement;
- (2) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022;
- (3) the expected increase in the operational costs as incurred by the Group; and



- (4) the expected increase in CR Land's demand for the services of the Group with reference to its pipeline projects, based on (a) the historical growth trend of the value-added services to property developers and community value-added services segments for the two years ended 31 December 2021 and the six months ended 30 June 2022; (b) the estimated additional total GFA under management for residential properties being delivered by CR Land Connected Persons of approximately 20 million sq. m. each year for 2023, 2024 and 2025; and (c) according to CR Land's 2022 interim report, as of June 30, 2022, CR Land has a total land bank GFA of 66.14 million sq. m. (among which, 55.44 million sq. m. are for development purpose and 10.70 million sq. m. are for investment purpose) which is sufficient for the development for the next three to five years.

## **12. 2023 CRH PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

Parties	:	The Company and CRH
Date	:	25 October 2022
Term	:	Commencing from 1 January 2023 to 31 December 2025, subject to the Independent Shareholders' approval
Subject	:	The Group may, from time to time, provide property management services to the CRH Connected Persons for the residential and/or commercial properties and other properties developed and/or owned by them.
Pricing basis	:	Subject to any guidance price which may be imposed by the governmental authorities, the property management fees shall be determined after arm's length negotiations with reference to (i) the type, location and size of the properties, (ii) the branding and positioning of the properties, (iii) the scope and standard of the services to be provided, (iv) the anticipated operational cost (including, among others, labor costs, material costs and administrative costs) for providing such services, (v) the customers profile, and (vi) the prevailing market rate for similar services in the open market and the historical charging rates.

## Historical Transaction Amount under the 2020 CRH Property Management Services Framework Agreement

The annual caps for the two years ended 31 December 2021 and the year ending 31 December 2022 and the historical transaction amount for the two years ended 31 December 2021 and six months ended 30 June 2022 are set out below:

	For the year ended/ending 31 December						For the six months ended 30 June
	2020		2021		2022		
	RMB'000		RMB'000		RMB'000		
	Annual cap	Historical amount	Annual cap	Historical amount	Annual cap	Historical amount	
Property management fees received/ to be received by the Group (for commercial properties)	426,013	201,928	376,173	191,431	230,980 <sup>(1)</sup>	103,481	
Property management fees received/ to be received by the Group (for residential properties and other non-commercial properties)	34,421	31,894	48,449	38,175	202,455 <sup>(1)</sup>	27,308	
<b>Total</b>	<b>460,434</b>	<b>233,822</b>	<b>424,622</b>	<b>229,606</b>	<b>433,435<sup>(1)</sup></b>	<b>130,789</b>	

*Note:*

- (1) Please refer to the announcement of the Company dated 25 October 2022 in relation to the revision of annual caps for the year ending 31 December 2022 for details.

## Annual Caps under the 2023 CRH Property Management Services Framework Agreement and Basis of Determination

The maximum aggregate annual management fees in respect of the 2023 CRH Property Management Services Framework Agreement for the years ending 31 December 2023, 2024 and 2025 shall not exceed the caps set out below:

	Annual caps for the year ending		
	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property management fees to be received by the Group (for commercial properties)	295,000	395,000	495,000
Property management fees to be received by the Group (for residential properties and other non-commercial properties)	<u>570,000</u>	<u>1,000,000</u>	<u>1,250,000</u>
<b>Total</b>	<b><u>865,000</u></b>	<b><u>1,395,000</u></b>	<b><u>1,745,000</u></b>

The above annual caps are determined with reference to:

- (1) for property management fees for commercial properties specifically: the existing contracts and the number of existing pipeline projects with the CRH Connected Persons as of the date of this announcement taking into account that six new projects (with an estimated GFA of approximately 300,000 sq. m.) are expected to commence during the three years ending 31 December 2025;

- (2) for property management fees for residential properties and other non-commercial properties: (a) the historical transaction amount and growth trend for the two years ended 31 December 2021 and the six months ended 30 June 2022; (b) the estimated additional total GFA under management for residential properties and other non-commercial properties of approximately 25 million sq. m. being delivered by the CRH Connected Persons for each of the years ending 31 December 2023, 2024 and 2025; (c) the historical average vacancy rate of the residential properties; and (d) the estimated fees per sq. m. at which management services will be charged;
- (3) the historical transaction amount for the two years ended 31 December 2021 and the six months ended 30 June 2022; and
- (4) the expected increase in the operational costs as incurred by the Group.

### **III. REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

#### **A. Property Leasing**

2023 CR Land Property Leasing Framework Agreement and 2023 CRH Property Leasing Framework Agreement (1) enable the Group to lease certain properties from CR Land Connected Persons and CRH Connected Persons as office and/or employee quarter(s) for its own use and as operating lease for its operating purpose, which would enhance the operational efficiency of the Group and (2) increase the Group's revenue by leasing to CR Land Connected Persons and CRH Connected Persons for their own use and under the commercial subleasing model.

#### **B. Purchase of Parking Spaces**

2023 Parking Spaces Purchase Framework Agreement enables the Group to purchase the ownership of and/or the right to use unsold parking spaces owned by the CR Land Connected Persons as the Group continues to expand the community value-added services.

**C. Procurement of Goods and Services**

2023 CRH Procurement Framework Agreement enables the Group to procure certain goods and services which include staff uniforms, food items, utilities (gas and electricity) and technical services which are aggregated by the Group from one party to streamline the Group's management of these transactions. It also enables the CRH Connected Persons to procure from the Group marketing services for the users in the CR Life Club.

2023 CR Land Procurement Framework Agreement enables the Group to secure a steady and reliable supply of goods and services including interior design and construction, purchase of furniture and fixtures, utilities (water and electricity) and technical services from CR Land which understands the requirements of the Group through years of cooperation.

**D. Provision of Commercial Operational Services**

2023 CRH Commercial Operational Services Framework Agreement and 2023 CR Land Commercial Operational Services Framework Agreement offer the Group with additional revenue by providing commercial operational services, which are the principal business activities of the Group.

**E. Provision of Value-added Services**

2023 CRH Value-added Services Framework Agreement and 2023 CR Land Value-added Services Framework Agreement offer the Group with additional revenue by providing value-added services, which are the principal business activities of the Group.

**F. Provision of Property Management Services**

2023 CR Land Property Management Services Framework Agreement and 2023 CRH Property Management Services Framework Agreement offer the Group with additional revenue by providing property management services, which are the principal business activities of the Group.

## **G. Deposit and Other Financial Services**

2023 Deposit and Financial Services Framework Agreement enables the Group to use the deposit and other financial services of CR Bank and to support its development within China Resources Inc. and its subsidiaries on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other financial institutions.

## **IV. GENERAL INFORMATION**

### **CRH**

As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land and CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited. China Resources Company Limited is a company established in the PRC with limited liability and is a state-owned enterprise under the supervision of the State-Owned Assets Supervision and Administration Commission of the State Council of the PRC. It is a conglomerate which holds a variety of businesses in the PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

### **CR Bank**

CR Bank is a licensed bank regulated by the China Banking and Insurance Regulatory Commission and headquartered in Zhuhai, the PRC. It had branches and sub-branches in different locations in the PRC where it operates and provides financial and commercial banking services. As at 30 September 2022, CR Bank had around 114 branches and sub-branches, comprising one head office, two branches (one in Hengqin and one in Zhuhai) and 37 sub-branches located in Zhuhai City, two branches (one in Qianhai and one in Shenzhen) and 27 sub-branches located in Shenzhen City, one branch and five sub-branches located in Zhongshan City, one branch and nine sub-branches located in Foshan City, one branch and eight sub-branches located in Dongguan City, one branch and ten sub-branches located in Huizhou City, one branch and 6 sub-branches located in Guangzhou City, one branch in Jiangmen City and one branch in Zhaoqing, and one rural bank in each of Deqing, Guangdong and Baise, Guangxi. As of the date of this announcement, CR Bank is held as to approximately 70.28% by China Resources Inc..

## **CR Land**

CR Land is principally engaged in the development and sales of developed properties, property investments and management, hotel operations and the provision of construction, decoration and other property development related services in the PRC. As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land and CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited.

## **The Company**

The Company is a limited liability company incorporated in the Cayman Islands on 18 May 2017. The Group was mainly engaged in the provision of residential property management services and commercial operational and property management services in the PRC. As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land.

## **V. INTERNAL CONTROL MEASURES**

To further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), the Group has implemented the following internal control measures in relation to the continuing connected transactions:

- The Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules; and

- the Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.

## **VI. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, (1) the Company is held as to approximately 72.29% by CR Land; (2) CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited; and (3) CR Bank is held as to approximately 70.28% by China Resources Inc.. Accordingly, CR Land, CRH and CR Bank are connected persons of the Company under the Listing Rules.

### **A. PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS**

As one or more of the applicable percentage ratios for the transactions contemplated under the 2023 Continuing Connected Transaction Agreements referred to in the section headed “II. Renewal of Continuing Connected Transactions – A. Partially Exempt Continuing Connected Transactions” of this announcement exceed 0.1% but none of them exceeds 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempted from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.



## **B. NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

As one or more of the applicable percentage ratios for the transactions contemplated under the 2023 Continuing Connected Transaction Agreements referred to in the section headed “II. Renewal of Continuing Connected Transactions – B. Non-exempt Continuing Connected Transactions” of this announcement exceed 5%, the transactions contemplated thereunder are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **VII. OPINION OF THE BOARD**

In view of the reasons for and benefits stated in section III of this announcement, the Directors (excluding for the Non-exempt Continuing Connected Transactions only, the independent non-executive Directors, who will form the view after considering the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders) are of the view that the 2023 Continuing Connected Transaction Agreements and the transactions contemplated thereunder were negotiated on an arm's length basis, are on normal commercial terms or better and were entered into in the ordinary and usual course of business of the Group, and the relevant terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the transactions under the 2023 Continuing Connected Transaction Agreements. Save for the non-executive Directors, Mr. LI Xin and Mr. GUO Shiqing, who are also the executive directors of CR Land, none of them abstained from voting on the relevant board resolutions approving the 2023 Continuing Connected Transaction Agreements and the transactions contemplated thereunder.

## **VIII. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An independent board committee comprising the independent non-executive Directors (namely Mr. LAU Ping Cheung Kaizer, Mr. CHEUNG Kwok Ching, Mr. CHAN Chung Yee Alan and Ms. QIN Hong) has been established to advise the Independent Shareholders, and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions.

## **IX. DESPATCH OF CIRCULAR**

A circular containing, inter alia, (i) further details of the Non-exempt Continuing Connected Transactions, (ii) a letter from the Independent Board Committee to the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions, and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 15 November 2022.

## **X. DEFINITIONS**

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

“2020 Continuing Connected Transaction Agreements”	together, (1) 2020 CR Land Property Leasing Framework Agreement; (2) 2020 CRH Property Leasing Framework Agreement; (3) 2020 Parking Spaces Purchase Framework Agreement; (4) 2020 CRH Procurement Framework Agreement; (5) 2020 CRH Commercial Operational Services Framework Agreement; (6) 2020 CRH Value-added Services Framework Agreement; (7) 2020 CR Land Property Management Services Framework Agreement; (8) 2020 CR Land Commercial Operational Services Framework Agreement; (9) 2020 CR Land Value-added Services Framework Agreement; (10) 2020 CR Land Procurement Framework Agreement; (11) 2020 CRH Property Management Services Framework Agreement; and (12) 2020 Deposit and Financial Services Framework Agreement
“2020 CR Land Commercial Operational Services Framework Agreement”	the framework agreement entered into between the Company and CR Land on 20 November 2020 in relation to provision of commercial operational services commencing from 9 December 2020 until 31 December 2022

“2020 CR Land Procurement Framework Agreement”	the framework agreement entered into between the Company and CR Land on 20 November 2020 in relation to procurement of goods and services commencing from 9 December 2020 until 31 December 2022
“2020 CR Land Property Leasing Framework Agreement”	the framework agreement entered into between the Company and CR Land on 20 November 2020 in relation to property leasing commencing from 9 December 2020 until 31 December 2022
“2020 CR Land Property Management Services Framework Agreement”	the framework agreement entered into between the Company and CR Land on 20 November 2020 in relation to property management services commencing from 9 December 2020 until 31 December 2022
“2020 CR Land Value-added Services Framework Agreement”	the framework agreement entered into between the Company and CR Land on 20 November 2020 in relation to provision of value-added services (community value-added services and value-added services to property developers) commencing from 9 December 2020 until 31 December 2022
“2020 CRH Commercial Operational Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to provision of commercial operational services commencing from 9 December 2020 until 31 December 2022
“2020 CRH Procurement Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to purchase of goods and services commencing from 9 December 2020 until 31 December 2022

“2020 CRH Property Leasing Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to property leasing commencing from 9 December 2020 until 31 December 2022
“2020 CRH Property Management Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to provision of property management services commencing from 9 December 2020 until 31 December 2022, as amended by the agreement dated 25 October 2022 entered into between the Company and CRH in relation to the revision of the annual caps for the property management fees of the Group
“2020 CRH Value-added Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to provision of value-added services (community value-added services and valued added services to property developers) commencing from 9 December 2020 until 31 December 2022, as amended by the agreement dated 25 October 2022 entered into between the Company and CRH in relation to the revision of the annual caps for the fees charged by the Group in respect of the community value-added services
“2020 Deposit and Financial Services Framework Agreement”	the framework agreement entered into between the Company and CR Bank on 20 November 2020 in relation to deposit and other financial services commencing from 9 December 2020 until 31 December 2022
“2020 Parking Spaces Purchase Framework Agreement”	the framework agreement entered into between the Company and CR Land on 20 November 2020 in relation to purchase of parking spaces commencing from 9 December 2020 until 31 December 2022

<p>“2023 Continuing Connected Transaction Agreements”</p>	<p>together, (1) 2023 CR Land Property Leasing Framework Agreement; (2) 2023 CRH Property Leasing Framework Agreement; (3) 2023 Parking Spaces Purchase Framework Agreement; (4) 2023 CRH Procurement Framework Agreement; (5) 2023 CRH Commercial Operational Services Framework Agreement; (6) 2023 CRH Value-added Services Framework Agreement; (7) 2023 CR Land Property Management Services Framework Agreement; (8) 2023 CR Land Commercial Operational Services Framework Agreement; (9) 2023 CR Land Value-added Services Framework Agreement; (10) 2023 CR Land Procurement Framework Agreement; (11) 2023 CRH Property Management Services Framework Agreement; and (12) 2023 Deposit and Financial Services Framework Agreement</p>
<p>“2023 CR Land Commercial Operational Services Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CR Land on 25 October 2022 in relation to provision of commercial operational services for the three years ending 31 December 2025</p>
<p>“2023 CR Land Procurement Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CR Land on 25 October 2022 in relation to procurement of goods and services commencing for the three years ending 31 December 2025</p>
<p>“2023 CR Land Property Leasing Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CR Land on 25 October 2022 in relation to property leasing for the three years ending 31 December 2025</p>
<p>“2023 CR Land Property Management Services Framework Agreement”</p>	<p>the framework agreement entered into between the Company and CR Land on 25 October 2022 in relation to property management services for the three years ending 31 December 2025</p>

“2023 CR Land Value-added Services Framework Agreement”	the framework agreement entered into between the Company and CR Land on 25 October 2022 in relation to provision of value-added services (community value-added services and value-added services to property developers) for the three years ending 31 December 2025
“2023 CRH Commercial Operational Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 25 October 2022 in relation to provision of commercial operational services for the three years ending 31 December 2025
“2023 CRH Procurement Framework Agreement”	the framework agreement entered into between the Company and CRH on 25 October 2022 in relation to purchase of goods and services for the three years ending 31 December 2025
“2023 CRH Property Leasing Framework Agreement”	the framework agreement entered into between the Company and CRH on 25 October 2022 in relation to property leasing for the three years ending 31 December 2025
“2023 CRH Property Management Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 25 October 2022 in relation to provision of property management services for the three years ending 31 December 2025
“2023 CRH Value-added Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 25 October 2022 in relation to provision of value-added services (community value-added services and valued added services to property developers) for the three years ending 31 December 2025
“2023 Deposit and Financial Services Framework Agreement”	the framework agreement entered into between the Company and CR Bank on 25 October 2022 in relation to deposit and other financial services for the three years ending 31 December 2025

“2023 Parking Spaces Purchase Framework Agreement”	the framework agreement entered into between the Company and CR Land on 25 October 2022 in relation to purchase of parking spaces for the three years ending 31 December 2025
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Company”	China Resources Mixc Lifestyle Services Limited (華潤萬象生活有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CR Bank”	China Resources Bank of Zhuhai Co., Ltd. (珠海華潤銀行股份有限公司), a licensed bank regulated by the China Banking and Insurance Regulatory Commission and headquartered in Zhuhai, the PRC
“CR Land”	China Resources Land Limited (華潤置地有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1109)
“CR Land Connected Persons”	CR Land and its associates
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of China Resources Company Limited
“CRH Connected Persons”	CRH, its holding companies, their respective subsidiaries and their associates (excluding CR Land Connected Persons)
“CRH Group”	CRH and its respective subsidiaries

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve, inter alia, the agreements in respect of the Non-exempt Continuing Connected Transactions
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising the independent non-executive Directors (namely Mr. LAU Ping Cheung Kaizer, Mr. CHEUNG Kwok Ching, Mr. CHAN Chung Yee Alan and Ms. QIN Hong)
“Independent Financial Adviser”	Anglo Chinese Corporate Finance, Limited (英高財務顧問有限公司), a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions
“Independent Shareholder(s)”	Shareholder(s) who are not required to abstain from voting at the EGM
“Independent Third Party(ies)”	an individual or a company who or which is not a director, chief executive or substantial shareholder of the Company or any of the subsidiaries, or an associate of any of such director, chief executive or substantial shareholder
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited



“Non-exempt Continuing Connected Transactions”	being the transactions contemplated under the 2023 Continuing Connected Transaction Agreements referred to in the section headed “II. Renewal of Continuing Connected Transactions – B. Non-exempt Continuing Connected Transactions” of this announcement
“Partially Exempt Continuing Connected Transactions”	being the transactions contemplated under the 2023 Continuing Connected Transaction Agreements referred to in the section headed “II. Renewal of Continuing Connected Transactions – A. Partially Exempt Continuing Connected Transactions” of this announcement
“PRC”	the People's Republic of China (for the purpose of this announcement, excluding Hong Kong and Macau Special Administrative Region)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended from time to time
“Shareholder(s)”	holder(s) of the share(s) of the Company
“sq. m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the Board  
**China Resources Mixc Lifestyle Services Limited**  
**YU Linkang**  
*President*

The PRC, 25 October 2022

*As at the date of this announcement, the board of directors of the Company comprises Mr. LI Xin and Mr. GUO Shiqing as non-executive directors, Mr. YU Linkang, Mr. WANG Haimin, Ms. WEI Xiaohua and Ms. YANG Hongxia as executive directors, and Mr. LAU Ping Cheung Kaizer, Mr. CHEUNG Kwok Ching, Mr. CHAN Chung Yee Alan and Ms. QIN Hong as independent non-executive directors.*