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**AUX INTERNATIONAL HOLDINGS LIMITED**

**奧克斯國際控股有限公司**

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

**(Stock Code: 2080)**

**CONTINUING CONNECTED TRANSACTIONS: RENEWAL OF EXISTING  
FRAMEWORK AGREEMENTS FOR  
FOR PROVISION OF PROPERTY MANAGEMENT SERVICES**

Given that the 2020 Framework Agreements and 2021 Framework Agreements are due to expire on 31 December 2023, on 27 November 2023, Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier entered into 2023 Framework Agreement I, 2023 Framework Agreement II, 2023 Framework Agreement III, 2023 Framework Agreement IV and 2023 Framework Agreement V with Ningbo AUX Healthcare, AUX Group, Ningbo Sanxing, Ningbo AUX Real Estate and Ningbo AUX Electric (in each case, for itself and as trustee for the benefit of its subsidiaries from time to time) as customers to renew 2020 Framework Agreement I, 2020 Framework Agreement II, 2020 Framework Agreement III, 2020 Framework Agreement IV, 2020 Framework Agreement V, 2021 Framework Agreement I and the 2021 Framework Agreement II respectively on comparable terms with consolidation of and/or adjustments to the service scopes where necessary or appropriate depending on the business needs of the relevant counterparty, such that Shuyi Property could, subject to the Independent Shareholders' approval at the EGM, continue to provide property management and other ancillary services to such customers from 1 January 2024 onwards until 31 December 2026.

As at the date of this announcement, (i) AUX Group is in aggregate directly held as to 100% by two companies, each of which is held as to 85.00% by Mr. Zheng Jian Jiang (鄭堅江); (ii) Ningbo Sanxing is in aggregate directly held as to approximately 49.28% by Mr. Zheng Jian Jiang and the parties acting in concert with him (including Mr. Zheng Jian Jiang and AUX Group); (iii) Ningbo AUX Electric is in aggregate held as to approximately 92.09% by Mr. Zheng Jian Jiang, including direct interests of 25.00% and indirect interests of approximately 67.09% held through various entities; (iv) Ningbo AUX Healthcare is a direct wholly-owned subsidiary of Ningbo Sanxing; and (v) Ningbo AUX Real Estate is indirectly held as to 85.00% by Mr. Zheng Jian Jiang, and Mr. Zheng Jian Jiang indirectly holds approximately 68.55% of the issued Shares. Accordingly, each of AUX Group, Ningbo Sanxing, Ningbo AUX Electric, Ningbo AUX Healthcare and Ningbo AUX Real Estate is an associate (being a 30%-controlled company) of Mr. Zheng Jian Jiang, a controlling shareholder of the Company, and hence a connected person of the Company. Therefore, the transactions contemplated under the 2023 Framework Agreements will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the continuing connected transactions contemplated under the 2023 Framework Agreements exceed(s) 5% and the relevant consideration exceeds HK\$10 million (based on the largest aggregate annual cap during the term of the 2023 Framework Agreements), such transactions are subject to the reporting, announcement, annual review, annual reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps). Hui Limited and all other Shareholders materially interested in the foregoing matters shall abstain from voting on the resolutions in relation to such matters at the EGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps), and Maxa Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular including, among others, a letter from the Board containing (i) detailed information regarding each of the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps); (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the foregoing matters; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the foregoing matters; and (iv) a notice convening the EGM and the relevant proxy form will be despatched to the Shareholders on or before 18 December 2023.

## **BACKGROUND**

Given that the 2020 Framework Agreements and 2021 Framework Agreements are due to expire on 31 December 2023, on 27 November 2023, Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier entered into 2023 Framework Agreement I, 2023 Framework Agreement II, 2023 Framework Agreement III, 2023 Framework Agreement IV and 2023 Framework Agreement V with Ningbo AUX Healthcare, AUX Group, Ningbo Sanxing, Ningbo AUX Real Estate and Ningbo AUX Electric (in each case, for itself and as trustee for the benefit of its subsidiaries from time to time) as customers to renew 2020 Framework Agreement I, 2020 Framework Agreement II, 2020 Framework Agreement III, 2020 Framework Agreement IV, 2020 Framework Agreement V, 2021 Framework Agreement I and the 2021 Framework Agreement II respectively on comparable terms with consolidation of and/or adjustments to the service scopes where necessary or appropriate depending on the business needs of the relevant counterparty, such that Shuyi Property could, subject to the Independent Shareholders' approval, continue to provide property management and other ancillary services to such customers from 1 January 2024 onwards until 31 December 2026.

Accordingly, the Company intends to seek approval from the Independent Shareholders in respect of each of the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps) at the EGM.

## **THE 2023 FRAMEWORK AGREEMENTS**

### **2023 Framework Agreement I**

A summary of the principal terms of 2023 Framework Agreement I is as follows:

- Date: 27 November 2023
- Parties:
- (1) Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time)
  - (2) Ningbo AUX Healthcare (for itself and as trustee for the benefit of its subsidiaries from time to time)
- Term of the agreement: Subject to approval by the Independent Shareholders, 2023 Framework Agreement I shall be effective from 1 January 2024 until 31 December 2026.

Types of services to be provided:

Shuyi Property and its subsidiaries shall send workers to the hospital(s) operated by Ningbo AUX Healthcare and/or its subsidiaries from time to time to provide the following services: (i) property housekeeping services, including daily housekeeping and cleaning in areas within the hospital premises and in respect of, among others, medical equipment, furniture and fixtures therein, daily housekeeping and cleaning in all public areas, collection and management of clinical and other wastes, and sanitation of hospital beds, equipment and disposable products, among others; (ii) transportation services, including ushering patients to appropriate areas for check-ups and treatments, delivery of testing samples and relevant paper records to respective departments of the hospital(s), preparation of sanitation materials and delivery of sanitisation materials and disposable hygiene products, management of cleaning supplies, transportation of large volume parenteral (LVP) within the hospital area, custody and transportation of pure water, transportation of furniture within the hospital area, and collection and reporting of transportation data, among others; (iii) blood transportation services; (iv) order maintenance services, such as maintenance of good public order within the hospital area, management and performance of fire and disaster prevention work, provision of assistance to hospital staff in handling of medical dispute incidents, and ensuring safety of hospital personnel and safekeeping of hospital assets; (v) property maintenance management services, such as ensuring construction projects are conducted in an orderly manner, and regular inspection of high voltage power distribution room, drainage system, fire pump system, lighting system, water purification system and sewage treatment facilities; (vi) elevator operation services, including daily inspection of the elevators within the hospital area and provision of assistance to users of the elevators; (vii) auxiliary medical services, such as provision of assistance to nurses in daily performance of their duties, cleaning and sanitisation of hospital beds and management of hospital storage rooms and furniture; (viii) provision of personal nursing support to patients by qualified professional caretakers; (ix) provision of security services to safeguard hospital equipments; and (x) landscaping services within the hospital area.

Pricing policy:

The transactions under 2023 Framework Agreement I shall be conducted on normal commercial terms. The number of workers to be sent by Shuyi Property and its subsidiaries, the rates of fees payable by Ningbo AUX Healthcare and/or its relevant subsidiary to Shuyi Property and its subsidiaries for the services to be provided pursuant to 2023 Framework Agreement I and the relevant service scope shall be agreed between Ningbo AUX Healthcare and/or its relevant subsidiary and Shuyi Property and its subsidiaries on an arm's length and set out in each specific service agreement. The service fees shall be calculated on the basis of the following:

- the service fee per worker, which is equal to (1) the average wage (the "Hospital Property Management Service Average Wage") of the workers in each function to be sent by Shuyi Property and its subsidiaries for the provision of services to Ningbo AUX Healthcare and/or its relevant subsidiary during the period covered under the specific service agreement, plus (2) a markup (as a percentage of the Hospital Property Management Service Average Wage) (the "Hospital Property Management Service Markup") to cover the other costs and disbursements of Shuyi Property and its subsidiaries in providing the required services and its profit margin; and
- the average number of workers to be sent by Shuyi Property and its subsidiaries for the provision of services to Ningbo AUX Healthcare and/or its relevant subsidiary during the period covered under the specific service agreement, which shall be agreed between Shuyi Property and its subsidiaries and Ningbo AUX Healthcare and/or its relevant subsidiary with reference to the actual demand and the hospital area size and scale of operations of the relevant hospital facilities operated by Ningbo AUX Healthcare and/or its relevant subsidiary where services are to be provided.

The Hospital Property Management Service Markup shall be at or above the applicable level set out below:

- (1) the prevailing comparable market level of the markup charged for similar services at the relevant time;
- (2) where the information as referred to in paragraph (1) above is not available or obtainable, the markups charged by Shuyi Property and its subsidiaries for similar services provided to independent third parties within the six-month period immediately preceding the date of each specific service agreement; and

- (3) where the information as referred to in paragraphs (1) and (2) above is both not available or obtainable, a markup at or above 14%, which is determined with reference to the estimated markups charged by other companies listed on the Stock Exchange providing similar services in the PRC calculated based on their published financial information. To the best of the knowledge, information and believe of the Directors, there are companies listed on the Stock Exchange providing such services as at the date of this announcement.

Payment arrangement: Payment will be settled on a monthly basis within 10 business days after issue of the relevant invoice by Shuyi Property.

Specific service agreements: Shuyi Property and/or its subsidiaries and Ningbo AUX Healthcare and/or its subsidiaries will enter into, from time to time and as and when necessary, specific service agreements in respect of each individual hospital facility setting out the specific terms and conditions, including, among others, the agreed number of workers to be sent by Shuyi Property and its subsidiaries for provision of services, rates of service fee, and service scope.

Any such service agreement shall be within the ambit of 2023 Framework Agreement I and shall not contravene the provisions of 2023 Framework Agreement I; in case of any inconsistency, the provisions of 2023 Framework Agreement I shall prevail.

## **Historical information and annual caps of transactions contemplated under 2023 Framework Agreement I**

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

The following table sets out the amounts of previous continuing connected transactions between Shuyi Property and its subsidiaries and Ningbo AUX Healthcare and its subsidiaries under 2020 Framework Agreement I:

	<b>For the year ended 31 December 2021 <i>RMB in million</i></b>	<b>For the year ended 31 December 2022 <i>RMB in million</i></b>	<b>For the year ending 31 December 2023 <i>RMB in million</i></b>
Annual cap	26.8	36.4	44.4
Historical transactions recorded	15.4	15.5	17.9
Utilisation rate	57.5%	42.6%	40.3% <i>(Note)</i>

The Directors expect that the aggregate transaction amount under 2020 Framework Agreement I for the period from 1 January 2023 up to the date of this announcement has not exceeded the annual cap for the year ending 31 December 2023 of RMB44.4 million.

*Note:* Based on the unaudited consolidated management accounts of the Group for the period from 1 January 2023 to 31 October 2023.

The anti-pandemic policy and measures imposed by the government during the COVID-19 pandemic and the slower-than-expected post-pandemic economic recovery have caused a decrease in the demand of Ningbo AUX Healthcare and its subsidiaries for the services. As a result, the utilisation rates in the financial year ended 31 December 2022 and in the financial year ending 31 December 2023 are lower than forecasted.

***Proposed annual caps***

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement I for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024 <i>RMB in million</i></b>	<b>For the year ending 31 December 2025 <i>RMB in million</i></b>	<b>For the year ending 31 December 2026 <i>RMB in million</i></b>
Annual cap	30.6	33.7	41.5

***Basis of determination of the annual caps***

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement I are determined with reference to the amounts of previous transactions under 2020 Framework Agreement I and the following:

- (i) the estimated demand of the counterparty for the services to be provided by Shuyi Property and its subsidiaries during the three years ending 31 December 2026. It is expected that Shuyi Property and its subsidiaries will continue providing services in accordance with the existing service scope in respect of the existing hospitals operated by Ningbo AUX Healthcare and/or its subsidiaries. As at the date of this announcement, Ningbo AUX Healthcare’s hospital network comprises 18 hospitals, of which Shuyi Property has been providing services to eight hospitals. The demand for property management services of Ningbo AUX Healthcare’s hospital network is expected to increase, and Shuyi Property’s services may be extended to the other existing hospitals operated by Ningbo AUX Healthcare and/or its subsidiaries over the coming financial years. It also expected that Ningbo AUX Healthcare will continue to require upgrade on service quality. Accordingly, it is expected that the number of workers required to be sent by Shuyi Property for the provision of services for the three years ending 31 December 2026 will increase as compared to the year ending 31 December 2023 to an average of approximately 844 per month for the three years ending 31 December 2026; and
- (ii) the wage levels of the workers of Shuyi Property and its subsidiaries during each of the three years ending 31 December 2026, which are anticipated to show no significant growth from the levels for the year ending 31 December 2023. The wage levels are estimated based on the consumer price indices in China in the ten months ended 31 October 2023 as compared with the corresponding period in 2022, as reported by the National Bureau of Statistics

of the PRC. The service fee per worker (calculated on the basis of the Hospital Property Management Service Average Wage) is therefore expected to remain relatively stable as compared with the historical transaction periods.

## **2023 Framework Agreement II**

A summary of the principal terms of 2023 Framework Agreement II is as follows:

Date:	27 November 2023
Parties:	(1) Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time)  (2) AUX Group (for itself and as trustee for the benefit of its subsidiaries from time to time)
Term of the agreement:	Subject to approval by the Independent Shareholders, 2023 Framework Agreement II shall be effective from 1 January 2024 until 31 December 2026.
Types of services to be provided, pricing policy and payment arrangement:	Shuyi Property and its subsidiaries shall be commissioned to provide property management services including maintenance, cleaning and security services in connection with the offices, commercial properties and car park units occupied by AUX Group and/or its subsidiaries with the types of services and their respective pricing policies and payment arrangement as summarised below.

### **a. Office and commercial property management services**

Types of services to be provided:	Maintenance, cleaning and security services in respect of office and commercial properties occupied by AUX Group and/or its subsidiaries.
Pricing policy:	The service fees will be agreed with AUX Group and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for office units and commercial properties leased by independent third parties, ranging from RMB5.3 to RMB6.0 per square metre per month depending on the location and nature of the properties (for example different rates are charged in respect of offices in Ningbo and Hangzhou), and shall be on terms not more favourable to AUX Group and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.



Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the relevant terms of the specific service agreements to be entered into.

**b. Car park management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of car park units occupied by AUX Group and its subsidiaries.

Pricing policy: The service fees will be agreed with AUX Group and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for car park units leased by independent third parties, ranging from RMB50 to RMB400 per unit per month depending on the location of the car park units (for example, different rates are charged in respect of carparks in Ningbo and Hangzhou), and shall be on terms not more favourable to AUX Group and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fee have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the relevant terms of the specific service agreements to be entered into.

Specific service agreements: Shuyi Property and/or its subsidiaries and AUX Group and/or its subsidiaries will enter into, from time to time and as and when necessary, specific service agreements which shall set out the specific terms and conditions in respect of the services to be provided, including the agreed rates of service fees and the pricing basis.

Any such specific service agreement shall be within the ambit of 2023 Framework Agreement II and shall not contravene the provisions of 2023 Framework Agreement II; in case of any inconsistency, the provisions of 2023 Framework Agreement II shall prevail.

## Historical information and annual caps of transactions contemplated under 2023 Framework Agreement II

### *Historical transaction amounts*

The following table sets out the amounts of previous continuing connected transactions between Shuyi Property and its subsidiaries and AUX Group and its subsidiaries under 2020 Framework Agreement II:

	<b>For the year ended 31 December 2021</b> <i>RMB in million</i>	<b>For the year ended 31 December 2022</b> <i>RMB in million</i>	<b>For the year ending 31 December 2023</b> <i>RMB in million</i>
Annual cap	5.4	11.0	13.1
Historical transaction recorded	1.2	0.6	1.3
			<i>(Note 1)</i>
Utilisation rate	22.2%	5.5%	9.9%

The Directors expect that the aggregate transaction amount under 2020 Framework Agreement II for the period from 1 January 2023 up to the date of this announcement has not exceeded the annual cap for the year ending 31 December 2023 of RMB13.1 million.

#### *Notes:*

1. Based on the unaudited consolidated management accounts of the Group for the period from 1 January 2023 to 31 October 2023.

Due to the uncertainty in China's manufacturing segment during the COVID-19 pandemic, AUX Group ceased its industrial park development plan during the term of 2020 Framework Agreement II. Therefore the utilisation rates in the year ended 31 December 2021, the year ended 31 December 2022 and the year ending 31 December 2023 have or are expected to fall in the lower range.

### *Proposed annual caps*

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement II for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024</b> <i>RMB in million</i>	<b>For the year ending 31 December 2025</b> <i>RMB in million</i>	<b>For the year ending 31 December 2026</b> <i>RMB in million</i>
Annual cap	1.2	1.2	1.2

### ***Basis of determination of the annual caps***

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement II are determined with reference to:

- (i) the historical size of office units and commercial properties and number of car park units occupied by AUX Group and its subsidiaries in respect of which property management services of Shuyi Property and its subsidiaries are required as at 31 December 2022 and as at 31 October 2023 as follows:

	<b>Size of office units and commercial properties (square metres)</b>	<b>Number of car park units</b>
As at 31 December 2022	7,853	43
As at 31 October 2023	12,187	243

; and

- (ii) other factors such as the expected demand of AUX Group and its subsidiaries for property management services for the years ending 31 December 2024, 2025 and 2026 with reference to their needs for office space and commercial properties and car park units. It is estimated that the size of office units and commercial properties and number of car park units occupied by AUX Group and its subsidiaries in respect of which property management services will be required to be provided by Shuyi Property and its subsidiaries for each of the three years ending 31 December 2024, 2025 and 2026 will be as follows:

	<b>Size of office units and commercial properties (square metres)</b>	<b>Number of car park units</b>
Year ending 31 December 2024	12,187	243
Year ending 31 December 2025	12,486	243
Year ending 31 December 2026	12,486	243

Accordingly, based on the estimated average rate of monthly management fee for office units and commercial properties of RMB5.9 per square metre and the average rate of monthly management fee for car park units of RMB81.2 per unit, the aggregate amount of management fees to be charged to AUX Group and its subsidiaries in respect of each type of management services to be provided for each of the three years ending 31 December 2024, 2025 and 2026, which forms the basis for the annual caps for 2023 Framework Agreement II, is as follows:

	<b>Office and commercial property management services</b> <i>(RMB million)</i>	<b>Car park management services</b> <i>(RMB million)</i>
Year ending 31 December 2024	0.9	0.3
Year ending 31 December 2025	0.9	0.3
Year ending 31 December 2026	0.9	0.3

The proposed annual caps have been reduced as compared with the annual caps for the previous continuing connected transactions under 2020 Framework Agreement II is attributable to the fact that AUX Group has ceased its industrial park development plan and thus no longer requires property management services relating to industrial park projects, in addition to the decrease in size of office units and commercial properties and number of car park units occupied by AUX Group and its subsidiaries.

### **2023 Framework Agreement III**

A summary of the principal terms of 2023 Framework Agreement III is as follows:

Date:	27 November 2023
Parties:	<p>(1) Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time)</p> <p>(2) Ningbo Sanxing (for itself and as trustee for the benefit of its subsidiaries from time to time)</p>
Term of the agreement:	Subject to approval by the Independent Shareholders, 2023 Framework Agreement III shall be effective from 1 January 2024 until 31 December 2026.
Types of services to be provided, pricing policy and payment arrangement:	Shuyi Property and its subsidiaries shall be commissioned to provide property management services including maintenance, cleaning and security services in connection with the offices, car park units and industrial park occupied by Ningbo Sanxing and/or its subsidiaries with the types of services to be provided and their respective pricing policy and payment arrangement as summarised below.

In particular, as Ningbo Sanxing and its subsidiaries are in need of better industrial park property management service quality, it is expected that the service scope shall be extended as compared with 2020 Framework Agreement III and Shuyi Property and its subsidiaries will provide industrial park property management services in respect of industrial park facilities occupied by Ningbo Sanxing and/or its subsidiaries under 2023 Framework Agreement III.

**a. Office property management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of offices occupied by Ningbo Sanxing and/or its subsidiaries.

Pricing policy: The service fees will be agreed with Ningbo Sanxing and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for offices leased by independent third parties, ranging from RMB5.3 to RMB6.0 per square metre per month depending on the location and nature of the properties (for example, different rates are charged in respect of offices in Ningbo and Hangzhou), and shall be on terms not more favourable to Ningbo Sanxing and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment term: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

**b. Car park management services**

Scope of services: Maintenance, cleaning and security services in respect of car park units occupied by Ningbo Sanxing and/or its subsidiaries.

Pricing policy: The service fees will be agreed with Ningbo Sanxing and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for car park units leased by independent third parties at RMB400 per unit per month, and shall be on terms not more favourable to Ningbo Sanxing and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fee have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment term: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

**c. Industrial park property management services**

Scope of services: Maintenance, cleaning and security services in respect of industrial park occupied by Ningbo Sanxing and/or its subsidiaries.

Pricing policy: The service fee will be agreed with Ningbo Sanxing and shall be based on the number of workers in each function to be sent by Shuyi Property and its subsidiaries for the provision of services in respect of the industrial park and their respective rates of service fees as agreed between Ningbo Sanxing and/or its relevant subsidiary and Shuyi Property and its subsidiaries on an arm's length. In respect of each industrial park, the specific terms and conditions on which services are to be provided shall be set out in a specific service agreement, including, the agreed number of workers to be sent, rates of service fees and service scope. The service fees shall be calculated on the basis of the following:

- the service fee per worker, which is equal to (1) the average wage (the "Industrial Park Management Service Average Wage") of the workers in each function to be sent by Shuyi Property and its subsidiaries for the provision of services to Ningbo Sanxing and/or the relevant subsidiary during the period covered under the specific service agreement, plus (2) a markup (as a percentage of the Industrial Park Management Service Average Wage) (the "Industrial Park Management Service Markup") to cover the other costs and disbursements of Shuyi Property and its subsidiaries in providing the required services and its profit margin; and
- the average number of workers to be sent by Shuyi Property and its subsidiaries for the provision of services to Ningbo Sanxing and/or the relevant subsidiary during the period covered under the specific service agreement, which shall be agreed between Shuyi Property and its subsidiaries and Ningbo Sanxing and/or its relevant subsidiary with reference to the actual demand and the industrial park area size and scale of operations of the industrial park facilities occupied by Ningbo Sanxing or the relevant subsidiary where services are to be provided.

The Industrial Park Property Management Service Markup shall be at or above the applicable level set out below:

- (1) the prevailing comparable market level of the markup charged for similar services at the relevant time;
- (2) where the information as referred to in paragraph (1) above is not available or obtainable, the markups charged by Shuyi Property and its subsidiaries to independent third party customers for similar services provided within the six-month period immediately preceding the date of each specific service agreement; and
- (3) where the information as referred to in paragraphs (1) and (2) above is both not available or obtainable, a markup at or above 14%, which is determined with reference to the estimated markups charged by other companies listed on the Stock Exchange providing similar services in the PRC calculated based on their published financial information. To the best of the knowledge, information and believe of the Directors, there are companies listed on the Stock Exchange providing such services as at the date of this announcement.

Payment term: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

Specific service agreements: Shuyi Property and/or its subsidiaries and Ningbo Sanxing and/or its subsidiaries will enter into, from time to time and as and when necessary, specific service agreements which shall set out the specific terms and conditions in respect of the services to be provided, including the agreed rates of service fees and the pricing basis.

Any such specific service agreement shall be within the ambit of 2023 Framework Agreement III and shall not contravene the provisions of 2023 Framework Agreement III; in case of any inconsistency, the provisions of 2023 Framework Agreement III shall prevail.

## Historical information and annual caps of transactions contemplated under 2023 Framework Agreement III

### *Historical transaction amounts*

The following table sets out the amounts of previous continuing connected transactions between Shuyi Property and its subsidiaries and Ningbo Sanxing and its subsidiaries under 2020 Framework Agreement III:

	<b>For the year ended 31 December 2021</b> <i>RMB in million</i>	<b>For the year ended 31 December 2022</b> <i>RMB in million</i>	<b>For the year ending 31 December 2023</b> <i>RMB in million</i>
Annual cap	0.5	0.5	0.5
Historical transaction recorded	0.4	0.4	0.4
Utilisation rate	80.0%	80.0%	(Note 1) 80.0%

The Directors expect that the aggregate transaction amount under 2020 Framework Agreement III for the period from 1 January 2023 up to the date of this announcement has not exceeded the annual cap for the year ending 31 December 2023 of RMB0.5 million.

#### *Notes:*

1. Based on the unaudited consolidated management accounts of the Group for the period from 1 January 2023 to 31 October 2023.

### *Proposed annual caps*

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement III for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024</b> <i>RMB in million</i>	<b>For the year ending 31 December 2025</b> <i>RMB in million</i>	<b>For the year ending 31 December 2026</b> <i>RMB in million</i>
Annual cap	4.8	5.8	6.4



The proposed annual caps for the transactions contemplated under 2023 Framework Agreement III are determined with reference to:

- (i) the historical size of offices units and number of car park units occupied by Ningbo Sanxing and/or its subsidiaries in respect of which property management services of Shuyi Property and its subsidiaries are required as at 31 December 2022 and as at 31 October 2023 as follows:

	<b>Size of office units</b> <i>(square metres)</i>	<b>Number of car park units</b>
As at 31 December 2022	5,682	10
As at 31 October 2023	5,682	10

; and

- (ii) other factors such as the expected demand of Ningbo Sanxing and/or its subsidiaries for property management services for the years ending 31 December 2024, 2025 and 2026 with reference to their needs for office space and car park units. It is estimated that the size of the office units and the number of car park units occupied by Ningbo Sanxing and/or its subsidiaries in respect of which property management services will be required to be provided by Shuyi Property and its subsidiaries for each of the three years ending 31 December 2024, 2025 and 2026 will be as follows:

	<b>Size of office units</b> <i>(square metres)</i>	<b>Number of car park units</b>
Year ending 31 December 2024	5,682	10
Year ending 31 December 2025	5,682	10
Year ending 31 December 2026	5,682	10

Accordingly, based on the estimated average rate of monthly management fee for office units of RMB7.1 per square metre and the average rate of monthly management fee for car park units of RMB400.0 per unit, the aggregate amount of management fees to be charged to Ningbo Sanxing and/or its subsidiaries in respect of each relevant type of management services to be provided for each of the three years ending 31 December 2024, 2025 and 2026, which forms the basis for relevant parts of the annual caps for 2023 Framework Agreement III, is as follows:

	<b>Office property management services</b> <i>(RMB million)</i>	<b>Car park management services</b> <i>(RMB million)</i>
Year ending 31 December 2024	0.49	0.05
Year ending 31 December 2025	0.49	0.05
Year ending 31 December 2026	0.49	0.05

- (iii) the estimated demand for the industrial park property management services to be provided by Shuyi Property and its subsidiaries during the three years ending 31 December 2026 to Ningbo Sanxing and/or its subsidiaries. It is expected that Shuyi Property and its subsidiaries will be providing services to the existing industrial park occupied by Ningbo Sanxing and/or its subsidiaries. In addition, it is expected that Ningbo Sanxing will further expand its industrial park network. Accordingly, it is expected that the average number of workers required to be sent by Shuyi Property for the provision of services will be approximately 88 per month for the year ending 31 December 2024 increase to approximately 119 per month for the year ending 31 December 2026; and
- (iv) the wage levels of the workers of Shuyi Property and its subsidiaries during each of the three years ending 31 December 2026, which are anticipated to show no significant growth from the existing levels. The wage levels are estimated based on the consumer price indices in China in the ten months ended 31 October 2023 as compared with the corresponding period in 2022, as reported by the National Bureau of Statistics of the PRC. The service fee per worker for the industrial park property management services (calculated on the basis of the Industrial Park Management Service Average Wage) is therefore expected to remain relatively stable over the term of 2023 Framework Agreement IV.

### **2023 Framework Agreement IV**

A summary of the principal terms of 2023 Framework Agreement IV is set forth below:

Date:	27 November 2023
Parties:	(1) Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time)  (2) Ningbo AUX Real Estate (for itself and as trustee for the benefit of its subsidiaries from time to time)
Term of the agreement:	Subject to approval by the Independent Shareholders, 2023 Framework Agreement IV shall be effective from 1 January 2024 until 31 December 2026.

Types of services to be provided, pricing policy and payment arrangement:

The service scopes under 2020 Framework Agreement IV and 2021 Framework Agreement I have been consolidated with slight adjustments to the service scope. Shuyi Property and its subsidiaries shall be commissioned to provide various types of property management services including management, maintenance, cleaning and security services in connection with the development projects of residential properties and industrial park projects launched from time to time and shopping complexes owned by Ningbo AUX Real Estate and/or its subsidiaries. Pre-sale management services, sales offices management services and unsold residential units property management services and industrial park units property management services will be provided to Ningbo AUX Real Estate and/or its subsidiaries in respect of its respective residential property development projects and industrial park projects according to the project schedule and sales phase. Vacant retail shop property management services will be provided to existing shopping complexes owned by Ningbo AUX Real Estate and/or its subsidiaries.

In addition, the service scope has been further expanded such that Shuyi Property and its subsidiaries will provide (a) property management services including maintenance, cleaning and security services in connection with the offices, commercial properties and car park units occupied by Ningbo AUX Real Estate and/or its subsidiaries; and (b) car park sales agency services in connection with the car park units owned by Ningbo AUX Real Estate and/or its subsidiaries.

The types of services to be provided and their respective pricing policy and payment arrangement are summarised below:

**a. Pre-sale management services**

Types of services to be provided:

Management and maintenance services in respect of residential properties and facilities of property development projects of Ningbo AUX Real Estate and/or its subsidiaries before delivery.

It is currently expected that Ningbo AUX Real Estate and/or its subsidiaries will deliver around one property development project in the year ending 31 December 2024.

Pricing policy: In respect of property development projects in the city of Ningbo and Anhui, the service fees shall be determined with reference to the pricing requirements prescribed by the relevant local regulations from time to time for different types of property development projects (e.g. 寧波／馬鞍山市住宅小區物業管理條例實施意見 (Opinions on Implementation of Ningbo/Ma An Shan Residential Community Property Management Regulations\*)).

The Group will also take into account the expected operational costs and the anticipated increase in such costs over the agreement term when it decides to enter into specific service agreements for each development project.

Payment arrangement: Payment shall be made monthly pursuant to the relevant terms of the specific service agreements to be entered into.

**b. Sales offices management services**

Types of services to be provided: Cleaning, security and customer services at the sales offices and showrooms of the property development projects of Ningbo AUX Real Estate and/or its subsidiaries.

Pricing policy: The service fees will be determined and charged based on the actual costs relating to provision of management services plus a rate of management fee to be agreed under the specific service agreements for the property development projects (which shall in any event be not less than 14%, which was determined with reference to the estimated markups charged by other companies listed on the Stock Exchange providing similar services in the PRC calculated based on their published financial information, and shall be on terms not more favourable to Ningbo AUX Real Estate and/or its subsidiaries than those then offered by Shuyi Property and its subsidiaries to independent third parties for comparable services).

The Group will also take into account the then prevailing market price, and the historical and anticipated property management costs, including labour costs and material costs.

Payment arrangement: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

**c. Unsold residential units property management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of unsold residential units of the property development projects of Ningbo AUX Real Estate and/or its subsidiaries.

Pricing policy: The service fees will be agreed with the property developer and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries in respect of sold property units of independent third parties, ranging from RMB1.4 to RMB3.3 per square metre per month depending on the location and nature of the properties (for example different rates are charged in respect of high-rises, condominiums and villas), and shall be on terms not more favourable to Ningbo AUX Real Estate and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

**d. Vacant retail shop property management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of vacant retail shop units of the property development projects of Ningbo AUX Real Estate and/or its subsidiaries.

Pricing policy: The service fees will be agreed with the property owner and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for retail shop units rented to independent third parties, ranging from RMB1.8 to RMB21.0 per square metre per month depending on the location and nature of the properties (for example, different rates are charged in respect of anchor shops and ground floor shops), and shall be on terms not more favourable to Ningbo AUX Real Estate and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

**e. Office property management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of offices and commercial properties occupied by Ningbo AUX Real Estate and/or its subsidiaries.

Pricing policy: The service fees will be agreed with Ningbo AUX Real Estate and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for office units and commercial properties leased by independent third parties, at RMB6.0 per square metre per month, and shall be on terms not more favourable to Ningbo AUX Real Estate and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the relevant terms of the specific service agreements to be entered into.

**f. Car park management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of car park units occupied and car park sales agency services in respect of car park units owned by Ningbo AUX Real Estate and/or its subsidiaries.

Pricing policy: In relation to the maintenance, cleaning and security services in respect of car park units occupied by Ningbo AUX Real Estate and/or its subsidiaries, the service fees will be agreed with Ningbo AUX Real Estate and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries for car park units leased by independent third parties, ranging from RMB40 to RMB100 per unit per month depending on the location of the car park units (for example, different rates are charged in respect of carparks in Ningbo, Tianjin and Anhui), and shall be on terms not more favourable to Ningbo AUX Real Estate and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

In relation to the car park sales agency services in respect of car park units owned by Ningbo AUX Real Estate and/or its subsidiaries, the service fees shall represent the difference between the actual selling price at which car park units are sold by Shuyi Property and/or its subsidiary and the pre-determined minimum prices of the car park units sold. The pre-determined minimum prices of each car park unit will be determined after arm's length negotiations with reference to the prevailing market price. It is agreed that the agency service fee per car park unit sold shall be at least 35% of the actual selling price.

Such rates of management and service fee have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

**g. Industrial park units property management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of industrial park units owned by Ningbo AUX Real Estate and/or its subsidiaries.

Pricing policy: The service fees will be agreed with the Ningbo AUX Real Estate and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries in respect of leased industrial park units of independent third parties, ranging from RMB1.8 to RMB4.5 per square metre per month depending the respective location of the properties, and shall be on terms not more favourable to Ningbo AUX Real Estate and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

Specific service agreements: Shuyi Property and/or its subsidiaries and Ningbo AUX Real Estate and/or its subsidiaries will enter into, from time to time and as and when necessary, specific service agreements which shall set out the specific terms and conditions in respect of the services to be provided, including the service fees agreed and the pricing basis.

Any such service agreement shall be within the ambit of 2023 Framework Agreement IV and shall not contravene the provisions of 2023 Framework Agreement IV; in case of any inconsistency, the provisions of 2023 Framework Agreement IV shall prevail.

## **Historical information and annual caps of transactions contemplated under 2023 Framework Agreement IV**

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

The following table sets out the amounts of previous continuing connected transactions between Shuyi Property and its subsidiaries and Ningbo AUX Real Estate and/or its subsidiaries under the 2020 Framework Agreement IV and 2021 Framework Agreement I:

	<b>For the year ended 31 December 2021 <i>RMB in million</i></b>	<b>For the year ended 31 December 2022 <i>RMB in million</i></b>	<b>For the year ending 31 December 2023 <i>RMB in million</i></b>
Annual cap	38.0	54.2	60.5
Historical transaction recorded	19.5	36.7	22.6
			<i>(Note 1)</i>
Utilisation rate	51.3%	67.7%	37.4%

The Directors expect that the aggregate transaction amount under 2020 Framework Agreement IV and 2021 Framework Agreement I for the period from 1 January 2023 up to the date of this announcement has not exceeded the annual cap for the year ending 31 December 2023 of RMB60.5 million.

#### *Notes:*

1. Based on the unaudited consolidated management accounts of the Group for the period from 1 January 2023 to 31 October 2023.

Given that the growth of the real estate industry in the PRC has slowed down in recent years, Ningbo AUX Real Estate has been cautious with and downsized its property development plan. As a result, the demand of Ningbo AUX Real Estate and its subsidiaries for property management services has fallen below expectations and the utilisation rates of the annual cap in the financial years ended 31 December 2021 and 2022 and in the financial year ending 31 December 2023 are lower than forecasted.



### ***Proposed annual caps***

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement IV for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024 <i>RMB in million</i></b>	<b>For the year ending 31 December 2025 <i>RMB in million</i></b>	<b>For the year ending 31 December 2026 <i>RMB in million</i></b>
Annual cap	37.5	31.5	28.0

### ***Basis of determination of the annual caps***

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement IV are determined with reference to:

- (i) the historical amounts of fees charged by Shuyi Property and its subsidiaries for the property management services provided to Ningbo AUX Real Estate and/or its subsidiaries under the 2020 Framework Agreement IV, being approximately RMB19.5 million for the year ended 31 December 2021, RMB36.7 million for the year ended 31 December 2022 and RMB22.6 million for the ten months ended 31 October 2023;
- (ii) the expected demand of Ningbo AUX Real Estate and its subsidiaries for property management services for the years ending 31 December 2024, 2025 and 2026 with reference to 2020 Framework Agreement IV and 2021 Framework Agreement I and the timetable of future property development projects of Ningbo AUX Real Estate and its subsidiaries (it is currently expected that, among the existing development projects, Ningbo AUX Real Estate will complete the property sales under existing projects by the year ending 31 December 2026), the number of existing shopping complexes and the number of existing industrial parks;
- (iii) the estimated vacancy rate of the existing shopping complexes owned by Ningbo AUX Real Estate and/or its subsidiaries for the years ending 31 December 2024, 2025 and 2026 with reference to the historical vacancy rate of the year ended 31 December 2022 and of the ten-month period ended 31 October 2023;

- (iv) the historical size of office units and commercial properties occupied by Ningbo AUX Real Estate and/or its subsidiaries, number of car park units owned or occupied by Ningbo AUX Real Estate and/or its subsidiaries and industrial park properties owned by Ningbo AUX Real Estate and/or its subsidiaries which may require the property management services of Shuyi Property and its subsidiaries as at 31 October 2023 as follows:

	<b>Size of office units and commercial properties</b> <i>(square meters)</i>	<b>Number of car park units</b>	<b>Size of vacant industrial park properties</b> <i>(square meters)</i>
As at 31 December 2022	5,500	2,117	244,626
As at 31 October 2023	5,500	1,747	244,626

- (v) the expected demand of Ningbo AUX Real Estate and/or its subsidiaries for property management services for the three years ending 31 December 2024, 2025 and 2026 with reference to the office units and commercial properties, number of vacant car park units and industrial park properties owned or occupied by them. It is estimated that the size of the office units and commercial properties, number of vacant car park units and the size of the industrial park properties owned or occupied by Ningbo AUX Real Estate and its subsidiaries in respect of which property management services will be required to be provided by Shuyi Property and its subsidiaries for the three years ending 31 December 2024, 2025 and 2026 will be as follows:

	<b>Size of office units and commercial properties</b> <i>(square meters)</i>	<b>Number of car park units</b>	<b>Size of vacant industrial park properties</b> <i>(square meters)</i>
Year ending 31 December 2024	5,500	1,687	244,626
Year ending 31 December 2025	5,500	1,637	244,626
Year ending 31 December 2026	5,500	1,597	244,626

Accordingly, based on the estimated average rate of monthly management fee for office units and commercial properties of RMB6.0 per square metre, the average rate of monthly management fee for car park units of RMB57.6 per unit and the average rate of monthly management fee for industrial park properties ranging from RMB1.8 to RMB4.5 per square meter, the aggregate amount of management fees to be charged to Ningbo AUX Real Estate and/or its subsidiaries in respect of each relevant type of management services to be provided for each of the three years ending 31 December 2024, 2025 and 2026, which forms the basis for relevant parts of the annual caps for 2023 Framework Agreement IV, is as follows:

	<b>Size of office units and commercial property management services (RMB millions)</b>	<b>Car park management services (RMB millions)</b>	<b>Industrial park property management services (RMB millions)</b>
Year ending 31 December 2024	0.4	1.2	8.8
Year ending 31 December 2025	0.4	1.2	8.8
Year ending 31 December 2026	0.4	1.2	8.8

- (vi) the expected number of the car park units which will be sold by the Group, the recent transaction prices of comparable car parking spaces within the locality of the car park units and the base price standards for sales determined by the Shuyi Property and Ningbo AUX Real Estate; and
- (vii) other factors such as the business plans of Shuyi Property (based on the business plans to be provided by Ningbo AUX Real Estate, Shuyi Property will get involved at the preliminary stage of the project management and put together the working teams three to six months before the delivery of the properties constructed in the relevant property development projects, and then enter into specific service agreements under 2023 Framework Agreement IV with Ningbo AUX Real Estate and/or its subsidiaries at appropriate times; hence the property development plans of Ningbo AUX Real Estate will affect Shuyi Property's schedules for the provision of property management services) and inflation.

## 2023 Framework Agreement V

A summary of the principal terms of 2023 Framework Agreement V is as follows:

Date:	27 November 2023
Parties:	(1) Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time)  (2) Ningbo AUX Electric (for itself and as trustee for the benefit of its subsidiaries from time to time)
Term of the agreement:	Subject to approval by the Independent Shareholders, 2023 Framework Agreement V shall be effective from 1 January 2024 until 31 December 2026.
Types of services to be provided, pricing policy and payment arrangement:	The service scopes under 2020 Framework Agreement V and 2021 Framework Agreement II have been consolidated with adjustments to the service scope. Shuyi Property and its subsidiaries shall be commissioned to provide property management services including maintenance, cleaning and/or security services in respect of industrial park properties owned or occupied by Ningbo AUX Electric and/or its subsidiaries. The types of services to be provided and their respective pricing policy and payment arrangement are summarised below:

**a. Industrial park management services**

Type of services to be provided: Maintenance, cleaning and security services in connection with the industrial park facilities occupied by Ningbo AUX Electric and/or its subsidiaries.

Pricing policy: The service fees will be agreed between Shuyi Property and its subsidiaries and Ningbo AUX Electric and/or its relevant subsidiary on an arm's length basis and set out in each specific service agreement, and calculated on the basis of the following:

- the service fee per worker, which is equal to (1) the average wage (the "Industrial Property Management Service Average Wage") of the workers in each function, to be sent by Shuyi Property and its subsidiaries for the provision of services to Ningbo AUX Electric and/or the relevant subsidiary during the period covered under the specific service agreement, plus (2) a markup (as a percentage of the Industrial Property Management Service Average Wage) (the "Industrial Property Management Service Markup") to cover the other costs and disbursements of Shuyi Property and its subsidiaries in providing the required services and its profit margin; and
- the average number of workers to be sent by Shuyi Property and its subsidiaries for the provision of services to Ningbo AUX Electric and/or the relevant subsidiary during the period covered under the specific service agreement, which shall be agreed between Shuyi Property and its subsidiaries and Ningbo AUX Electric and/or its relevant subsidiary with reference to the actual demand, size and scale of operation of the industrial park facilities occupied by Ningbo AUX Electric or the relevant subsidiary where services are to be provided.

The Industrial Property Management Service Markup shall be at or above the applicable level set out below:

- (1) the prevailing comparable market level of the markup charged for similar services at the relevant time; and
- (2) where the information as referred to in paragraph (1) above is not available or obtainable, the markups charged by Shuyi Property and its subsidiaries to independent third party customers for similar services provided within the six-month period immediately preceding the date of each specific service agreement; and

(3) where the information as referred to in paragraphs (1) and (2) above is both not available or obtainable, a markup at or above 14%, which is determined with reference to the estimated markups charged by other companies listed on the Stock Exchange providing similar services in the PRC calculated based on their published financial information. To the best of the knowledge, information and believe of the Directors, there are companies listed on the Stock Exchange providing such services as at the date of this announcement.

Payment arrangement: Payment shall be made monthly pursuant to the relevant terms of the specific service agreements to be entered into.

**b. Vacant industrial park units property management services**

Types of services to be provided: Maintenance, cleaning and security services in respect of vacant industrial park units of Ningbo AUX Electric and/or its subsidiaries.

Pricing policy: The service fees will be agreed with the property owner and shall be based on the prevailing rates of management fees charged by Shuyi Property and its subsidiaries in respect of leased industrial park units of independent third parties, at RMB0.8 per square metre per month, and shall be on terms not more favourable to Ningbo AUX Electric and/or its subsidiaries than those offered by Shuyi Property and its subsidiaries to independent third parties for comparable services.

Such rates of management fees have been adopted by the Group based on the prevailing market rates at which comparable services are provided.

Payment arrangement: Payment shall be made monthly pursuant to the terms of the specific service agreements to be entered into.

Specific service agreements: Shuyi Property and/or its subsidiaries and Ningbo AUX Electric and/or its subsidiaries will enter into, from time to time and as and when necessary, specific service agreements which shall set out the specific terms and conditions in respect of the services to be provided, including the agreed number of workers to be sent by Shuyi Property and its subsidiaries for the provision of services, rates of service fee, and service scope.

Any such service agreement shall be within the ambit of 2023 Framework Agreement V and shall not contravene the provisions of 2023 Framework Agreement V; in case of any inconsistency, the provisions of 2023 Framework Agreement V shall prevail.

## Historical information and annual caps of transactions contemplated under 2023 Framework Agreement V

### *Historical transaction amounts*

The following table sets out the amounts of previous continuing connected transactions between Shuyi Property and its subsidiaries and Ningbo AUX Electric and/or its subsidiaries under 2020 Framework Agreement V and 2021 Framework Agreement II:

	<b>For the year ended 31 December 2021</b> <i>RMB in million</i>	<b>For the year ended 31 December 2022</b> <i>RMB in million</i>	<b>For the year ending 31 December 2023</b> <i>RMB in million</i>
Annual cap	5.9	9.7	10.1
Historical transaction recorded	2.1	5.5	6.1 <i>(Note 1)</i>
Utilisation rate	35.6 %	56.7%	60.4%

The Directors expect that the aggregate transaction amount under 2020 Framework Agreement V and 2021 Framework Agreement II for the period from 1 January 2023 up to the date of this announcement has not exceeded the annual cap for the year ending 31 December 2023 of RMB10.1 million.

#### *Notes:*

1. Based on the unaudited consolidated management accounts of the Group for the period from 1 January 2023 to 31 October 2023.

Due to the outbreak of COVID-19 pandemic, Ningbo AUX Electric has scaled down its industrial park development plan. Therefore the utilisation rates in the year ended 31 December 2021 and year ended 31 December 2022 have fallen in the lower range.

## Annual caps of transactions contemplated under 2023 Framework Agreement V

### *Proposed annual caps*

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement V for the three years ending 31 December 2026 are as follows:

	<b>For the year ending 31 December 2024</b> <i>RMB in million</i>	<b>For the year ending 31 December 2025</b> <i>RMB in million</i>	<b>For the year ending 31 December 2026</b> <i>RMB in million</i>
Annual cap	8.6	9.9	10.7

### ***Basis of determination of the annual caps***

The proposed annual caps for the transactions contemplated under 2023 Framework Agreement V are determined with reference to:

- (i) the services expected to be provided in connection with the industrial parks owned or occupied by Ningbo AUX Electric and/or the relevant subsidiaries in Nanchang, Anhui and Ningbo. It is expected that the average number of workers required to be sent by Shuyi Property and its subsidiaries for the provision of services to the industrial parks in Nanchang, Anhui and Ningbo will increase from approximately 141 per months for the year ending 31 December 2023 to approximately 157 per month for the three years ending 31 December 2026; and
- (ii) the expected demand of Ningbo AUX Electric and its subsidiaries for industrial park units property management services for the years ending 31 December 2024, 2025 and 2026 and the timetable of future industrial park development projects of Ningbo AUX Electric and its subsidiary in accordance with its expansion plan; and
- (iii) the wage levels of the workers of Shuyi Property and its subsidiaries during each of the three years ending 31 December 2026, which are anticipated to show no significant growth from the levels for the year ending 31 December 2023. The wage levels are estimated based on the consumer price indices in China in the ten months ended 31 October 2023 as compared with the corresponding period in 2022, as reported by the National Bureau of Statistics of the PRC. The service fee per worker for the industrial park management services (calculated on the basis of the Industrial Property Management Service Average Wage) is therefore expected to remain relatively stable as compared with the historical transaction periods.

### **Reasons for and Benefits of the 2023 Framework Agreements**

Property management business segment has been a key contributor to the Group in the past years and recorded consistent revenue growth of 14.6% for year ended 31 March 2023, for which the Group's total revenue amounted to approximately HK\$376.1 million as compared to approximately HK\$328.2 million for the year ended 31 March 2022. It has been the Group's intention to continue to expand its portfolio of properties management in the PRC. As the 2020 Framework Agreements and the 2021 Framework Agreements will expire on 31 December 2023, the entering into of the 2023 Framework Agreements will provide the Group with stable revenue and cash flow from its property management business segment. Further development of the property management segment will not only provide strong support to the Group's performance but also minimise any significant fluctuation in the overall revenue and cash flow of the Group.

Ningbo AUX Real Estate, as an established business partner of Shuyi Property, has been a well-known property developer in Yangtze River Delta Economic Zones. As at the date of this announcement, Ningbo AUX Real Estate holds unsold properties with a total area of approximately 0.25 million sq.m.

AUX Group is a well-known conglomerate with business in manufacturing of electrical equipment and household appliance, health care and financial investment. AUX Group owns and maintains a number of offices, industrial parks and car park units in different cities in the PRC.



Ningbo Sanxing, the shares of which are listed on the Shanghai Stock Exchange, operates in the manufacturing of electricity measurement equipment and provision of healthcare services in the PRC. In addition to the offices and car parks it occupies, Ningbo Sanxing also owns and operates several industrial parks across the country.

Ningbo AUX Healthcare (as intermediate holding company of Ningbo Mingzhou Hospital) is a subsidiary of Ningbo Sanxing. Ningbo Sanxing has been actively developing its healthcare services, with a view to becoming a leading healthcare service investment and management group in the PRC. The Group is given to understand that Ningbo Sanxing intends to expand its hospital network to expand its hospital network through means such as establishment of new hospitals and acquisitions of existing hospitals by way of direct investment and/or setting up of joint ventures.

Ningbo AUX Electric is a subsidiary of AUX Group principally engaged in manufacturing of electrical equipment and household appliance. Ningbo AUX Electric owns six industrial parks in Nanchang, Ningbo, Tianjin, Ma'anshan and Thailand.

Hence, the Directors are of the view that the proposed renewal of the 2020 Framework Agreements and 2021 Framework Agreements (by way of the entering into of 2023 Framework Agreement I, 2023 Framework Agreement II, 2023 Framework Agreement III, 2023 Framework Agreement IV and 2023 Framework Agreement V with Ningbo AUX Healthcare, AUX Group, Ningbo Sanxing, Ningbo AUX Real Estate and Ningbo AUX Electric respectively) will ensure Shuyi Property and the Group as a whole a stable demand for the Group's property management business segment. As such, the Directors believe that the entering into of the 2023 Framework Agreements will provide a stable and strong support for the financial performance of the Group while the performance of the Lifestyle Entertainment Segment and its contribution to the Group have become relatively insignificant and thus ensure the Group will have sufficient financial resources to achieve healthy and sustainable development in the long run.

Except for Mr. Zheng Jiang, the chairman of the Board and an executive Director who is the brother of Mr. Zheng Jian Jiang (鄭堅江) and holds equity interests in the counterparties to the 2023 Framework Agreements and Ms. Shen Guoying, an executive Director who is a director of Ningbo Sanxing and holds equity interest in certain counterparty to the 2023 Framework Agreements, none of the Directors has or is deemed to have any material interest in the 2023 Framework Agreements and the transactions contemplated thereunder (including their respective proposed annual caps). Mr. Zheng Jiang and Ms. Shen Guoying have abstained from voting on the relevant resolutions at the board meeting.

The terms and conditions of the 2023 Framework Agreements were negotiated between the parties thereto on an arm's length basis. The Directors (other than the independent non-executive Directors whose views will be given after taking the advice of the independent financial adviser) are of the view that the terms of the 2023 Framework Service Agreements (including the pricing mechanism and procedures) are fair and reasonable and in the interests of the Shareholders as a whole, and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## MEASURES OF INTERNAL CONTROL

The Company has implemented the following internal control measures for monitoring the pricing and terms of the transactions contemplated under the 2023 Framework Service Agreements and for ensuring that the transactions conducted under such agreements will be entered into based on normal commercial terms:

- (1) prior to entering into the specific service agreements under the 2023 Framework Agreements, the legal department, the financial department and the operation department of the Company are responsible for the negotiation of the contractual terms with reference to prevailing level of property management fees charged for comparable services for comparable properties. References will be made (where applicable) to the property management fees charged by Shuyi Property and its subsidiaries to independent third parties for comparable services for comparable properties and the other relevant contract terms in respect thereof, and (where practicable) researches will be performed on the recent prices charged by at least two independent service providers in the area(s) in proximity to the new projects by referring to the properties located in the same or nearby streets or complexes, similar-sized properties and services prices charged on those properties, etc. A report on the above will be prepared afterwards. Pricing requirement(s) prescribed by the relevant local regulation(s) and guidance price(s) stipulated by local authority(ies) (where applicable) will also be observed. The above serve to ensure that the management fees charged by Shuyi Property and its subsidiaries and the terms of the specific service agreements are in conformity with the 2023 Framework Agreements and on normal commercial terms that are no less favourable to the Group than those available to or from independent third parties. The financial department is responsible for the final approval of the terms of the specific service agreements under the 2023 Framework Agreements;
- (2) upon execution of the specific service agreements under the 2023 Framework Agreements, the legal department of the Group is responsible for continuously monitoring and checking on a monthly basis as to whether the relevant laws and regulations on property management prices have been amended, in order to ensure that the price(s) paid by the property owners remain consistent and compliant with the requirements under the relevant laws and regulations; and
- (3) throughout the term of the 2023 Framework Agreements, the operation department and the financial department are responsible for monitoring the implementation of the specific service agreements under the 2023 Framework Agreements to ensure that the terms, including the fees charged under the agreements, are strictly adhered to by the parties to the agreements. Any deviation from the contract terms thereof should be reported to the management of the Group for further actions. In addition, the management of the Group will perform spot checks on the implementation of the 2023 Framework Agreements to ensure compliance with the contract terms as and when necessary.

In addition to the above, the Group will also adopt the following internal control measures in respect of the continuing connected transactions contemplated under the 2023 Framework Agreements:

- (i) dedicated personnel of Shuyi Property will be responsible for regular monitoring of the continuing connected transactions under the 2023 Framework Agreements to ensure that the relevant annual caps will not be exceeded;
- (ii) internal review will be conducted by the Group to assess, on a periodic basis, whether the property management services have been provided by Shuyi Property and/or its subsidiaries to Ningbo AUX Healthcare, AUX Group, Ningbo Sanxing, Ningbo AUX Real Estate and Ningbo AUX Electric from time to time in accordance with the terms of the 2023 Framework Agreements respectively. In particular, the financial department and the audit department of the Company will be responsible for
  - (i) collecting detailed information of the continuing connected transactions (including but not limited to the pricing terms, payment arrangements and actual transaction amount under each of the specific service agreements) on a regular basis;
  - (ii) monitoring whether the transaction terms and pricing and other terms under each of the specific service agreements are consistent with the principles established under the 2023 Framework Agreements in respect of the continuing connected transactions;
  - (iii) conducting continuous evaluation on the fairness of the transaction terms and the pricing terms; and
  - (iv) reporting relevant information to the Board in a timely manner;
- (iii) the Company will engage its auditors to conduct an annual review of the continuing connected transactions conducted pursuant to the 2023 Framework Agreements and confirm whether such transactions are entered into, in all material respects, in accordance with the pricing policies and other terms set out in the 2023 Framework Agreements and have exceeded the relevant annual caps; and
- (iv) the independent non-executive Directors will review the continuing connected transactions to be entered into pursuant to the 2023 Framework Agreements on an annual basis and confirm in the annual reports of the Company for the years ending 31 March 2024, 2025, 2026 and 2027 whether such continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the 2023 Framework Agreements on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors consider that the above internal control measures can ensure that the transactions contemplated under the 2023 Framework Agreements will be conducted on normal and commercial terms and not prejudicial to the interests of the Group and the Shareholders.

## IMPLICATION UNDER THE LISTING RULES

As at the date of this announcement, (i) AUX Group is in aggregate directly held as to 100% by two companies, each of which is held as to 85.00% by Mr. Zheng Jian Jiang (鄭堅江); (ii) Ningbo Sanxing is in aggregate directly held as to approximately 49.28% by Mr. Zheng Jian Jiang and the parties acting in concert with him (including Mr. Zheng Jian Jiang and AUX Group); (iii) Ningbo AUX Electric is in aggregate held as to approximately 92.09% by Mr. Zheng Jian Jiang, including direct interests of 25.00% and indirect interests of approximately 67.09% held through various entities; (iv) Ningbo AUX Healthcare is a direct wholly-owned subsidiary of Ningbo Sanxing; and (v) Ningbo AUX Real Estate is indirectly held as to 85.00% by Mr. Zheng Jian Jiang, and Mr. Zheng Jian Jiang indirectly holds approximately 68.55% of the issued Shares. Accordingly, each of AUX Group, Ningbo Sanxing, Ningbo AUX Electric, Ningbo AUX Healthcare and Ningbo AUX Real Estate is an associate (being a 30%-controlled company) of Mr. Zheng Jian Jiang, a controlling shareholder of the Company, and hence a connected person of the Company. Therefore, the transactions contemplated under the 2023 Framework Agreements will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the continuing connected transactions contemplated under the 2023 Framework Agreements exceed(s) 5% and the relevant consideration exceeds HK\$10 million (based on the largest aggregate annual cap during the term of the 2023 Framework Agreements), such transactions are subject to the announcement, annual review, annual reporting, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps). Huiji Limited and all other Shareholders materially interested in the foregoing matters shall abstain from voting on the resolutions in relation to such matters at the EGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the 2023 Framework Agreements and the continuing connected transaction contemplated thereunder (including their respective proposed annual cap), and Max Capital Limited has been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular including among others, a letter from the Board containing (i) detailed information regarding each of the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps); (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the foregoing matters; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the foregoing matters; and (iv) a notice convening the EGM and the relevant proxy form, is expected to be despatched to the Shareholders on or before 18 December 2023.

## INFORMATION ON PARTIES TO THE CONTINUING CONNECTED TRANSACTIONS

### The Company

The company is an investment holding company. The Group as a whole is principally engaged in operation of clubbing business and restaurant and bar outlets, and provision of property management services and related value-added services.

### AUX Group

AUX Group is a conglomerate with business in manufacturing of electrical equipment and household appliance, health care and financial investment. As at the date of this announcement, to the best of the knowledge and information of the Directors, AUX Group is in aggregate directly held as to 100% by two companies, each of which is directly held as to 85.00% by Mr. Zheng Jian Jiang (鄭堅江).

### Ningbo AUX Real Estate

Ningbo AUX Real Estate is principally engaged in property development for residential and commercial properties in the PRC. As at the date of this announcement, to the best of the knowledge and information of the Directors, Ningbo AUX Real Estate is indirectly held as to 85.00% by Mr. Zheng Jian Jiang.

### Ningbo AUX Electric

Ningbo AUX Electric is principally engaged in manufacturing of electrical equipment and household appliance. As at the date of this announcement, to the best of the knowledge and information of the Directors, Ningbo AUX Electric is directly held as to (i) 25.00% by Mr. Zheng Jian Jiang; (ii) approximately 37.04%, 24.88% and 0.92% by AUX Group, 寧波奧勝貿易有限公司\* (Ningbo Aosheng Trading Company Limited, which is a subsidiary of AUX Group) and 寧波元興實業投資有限公司\* (Ningbo Yuanxing Industrial Investment Company Limited) respectively, each of which is directly or indirectly held as to 85.00% by Mr. Zheng Jian Jiang; (iii) approximately 1.95% by 寧波高匯股權投資管理合夥企業(有限合夥) (Ningbo Gaohui Equity Investment Management Partnership (Limited Partnership)\*), in which AUX Group has a shareholding of approximately 35.95%; (iv) approximately 1.38% by 寧波高創股權投資管理合夥企業(有限合夥) (Ningbo Gaochuang Equity Investment Management Partnership (Limited Partnership)\*), in which AUX Group has a shareholding of approximately 33.45%; and (v) approximately 0.92% by 寧波眾美股權投資管理合夥企業(有限合夥) (Ningbo Zhongmei Equity Investment Management Partnership (Limited Partnership)\*), in which AUX Group has a shareholding of approximately 44.69%.

## **Ningbo Sanxing**

Ningbo Sanxing is a joint stock limited liability company established in the PRC, the issued shares of which are listed on the Shanghai Stock Exchange. Its principal operations include manufacturing of electricity measurement equipment and provision of healthcare services in the PRC. As at the date of this announcement, to the best of the knowledge and information of the Directors, Ningbo Sanxing is in aggregate directly held as to approximately 52.75% by Mr. Zheng Jian Jiang and the parties acting in concert with him (including Mr. Zheng Jiang and AUX Group).

## **Ningbo AUX Healthcare**

Ningbo AUX Healthcare is a direct wholly-owned subsidiary of Ningbo Sanxing and an intermediate holding company of Ningbo Mingzhou Hospital. Ningbo AUX Healthcare is principally engaged in provision of medical treatments and services.

**Since the 2023 Framework Agreements are subject to the Independent Shareholders' approval and may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

- “2020 Framework Agreements” collectively, 2020 Framework Agreement I, 2020 Framework Agreement II, 2020 Framework Agreement III, 2020 Framework Agreement IV and 2020 Framework Agreement V
- “2020 Framework Agreement I” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Healthcare (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 1 December 2020 in relation to the provision of property housekeeping, transportation and other ancillary services by Shuyi Property and its subsidiaries to Ningbo AUX Healthcare and/or its subsidiaries, the term of which commenced on 1 January 2021 and shall end on 31 December 2023
- “2020 Framework Agreement II” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and AUX Group (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 1 December 2020 for the provision by Shuyi Property and its subsidiaries of property management services including maintenance, cleaning and security services in connection with the offices, commercial properties and car park units occupied by AUX Group and/or its subsidiaries, and presale managements services, sales offices management services and unsold industrial park units property management services in respect of industrial park facilities owned by AUX Group and/or its subsidiaries, the term of which commenced on 1 January 2021 and shall end on 31 December 2023

“2020 Framework Agreement III” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo Sanxing (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 1 December 2020 for the provision by Shuyi Property and its subsidiaries of property management services including maintenance, cleaning and security services in connection with the offices and car park units occupied by Ningbo Sanxing and/or its subsidiaries, the term of which commenced on 1 January 2021 and shall end on 31 December 2023

“2020 Framework Agreement IV” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Real Estate (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 1 December 2020 for the provision by Shuyi Property and its subsidiaries of property management services including maintenance, cleaning and security services in connection with the development projects of residential properties and shopping complexes launched from time to time by Ningbo AUX Real Estate and/or its subsidiaries, the term of which commenced on 1 January 2021 and shall end on 31 December 2023

“2020 Framework Agreement V” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Electric (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 1 December 2020 for the provision by Shuyi Property and its subsidiaries of property management services including mainly cleaning services in connection with the industrial park facilities occupied by Ningbo AUX Electric and/or its subsidiaries, the term of which commenced on 1 January 2021 and shall end on 31 December 2023

“2021 Framework Agreements” collectively, 2021 Framework Agreement I and 2021 Framework Agreement II



- “2021 Framework Agreement I” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Real Estate (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 30 September 2021 for the provision by Shuyi Property and its subsidiaries of sales office management services and unsold industrial park units property management services in respect of the industrial park development projects of Ningbo AUX Real Estate and/or its subsidiaries from time to time, the term of which commenced on 1 October 2021 and shall end on 31 December 2023
- “2021 Framework Agreement II” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Electric (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 30 September 2021 for the provision by Shuyi Property and its subsidiaries of preliminary property management services and unlet industrial park units property management services in respect of an industrial park owned by Ningbo AUX Electric and/or its subsidiaries from time to time, the term of which commenced on 1 October 2021 and shall end on 31 December 2023
- “2023 Framework Agreements” collectively, 2023 Framework Agreement I, 2023 Framework Agreement II, 2023 Framework Agreement III, 2023 Framework Agreement IV and 2023 Framework Agreement V
- “2023 Framework Agreement I” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Healthcare (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 27 November 2023 in relation to the provision of property housekeeping, transportation and other ancillary services by Shuyi Property and its subsidiaries to Ningbo AUX Healthcare and/or its subsidiaries which shall, subject to approval by the Independent Shareholders at the EGM, be effective for a term commencing on 1 January 2024 and ending on 31 December 2026

“2023 Framework Agreement II” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and AUX Group (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 27 November 2023 for the provision by Shuyi Property and its subsidiaries of property management services including maintenance, cleaning and security services in connection with the offices, commercial properties and car park units occupied by AUX Group and/or its subsidiaries, which shall subject to approval by the Independent Shareholders at the EGM, be effective for a term commencing on 1 January 2024 and ending on 31 December 2026

“2023 Framework Agreement III” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo Sanxing (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 27 November 2023 for the provision by Shuyi Property and its subsidiaries of property management services including maintenance, cleaning and security services in connection with the offices, car park units and industrial park occupied by Ningbo Sanxing and/or its subsidiaries, which shall, subject to approval by the Independent Shareholders at the EGM, be effective for a term commencing on 1 January 2024 and ending on 31 December 2026

“2023 Framework Agreement IV” the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Real Estate (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 27 November 2023 for the provision by Shuyi Property and its subsidiaries of property management services including management, maintenance, cleaning and/or security services in connection with the residential property development projects, industrial park projects shopping complexes, offices, commercial properties and car park units launched, owned or occupied by Ningbo AUX Real Estate and/or its subsidiaries and car park sales agency services in connection with the car park units owned by Ningbo AUX Real Estate and/or its subsidiaries from time to time, which shall, subject to approval by the Independent Shareholders at the EGM, be effective for a term commencing on 1 January 2024 and ending on 31 December 2026

“2023 Framework Agreement V”	the framework agreement entered into between Shuyi Property (for itself and as trustee for the benefit of its subsidiaries from time to time) as supplier and Ningbo AUX Electric (for itself and as trustee for the benefit of its subsidiaries from time to time) as customer on 27 November 2023 for the provision by Shuyi Property and its subsidiaries of property management services including maintenance, cleaning and/or security services in respect of industrial park properties owned or occupied by Ningbo AUX Electric and/or its subsidiaries from time to time, which shall, subject to approval by the Independent Shareholders at the EGM, be effective for a term commencing on 1 January 2024 and ending on 31 December 2026
“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“associate”	has the meaning ascribed to it under the Listing Rules
“AUX Group”	奧克斯集團有限公司 (AUX Group Company Limited*), a limited liability company established in the PRC
“Board”	the board of Directors
“Company”	AUX International Holdings Limited (奧克斯國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2080)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(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 director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider, and if thought fit, approve the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps)
“Group”	collectively, the Company and its subsidiaries

“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps)
“Independent Shareholder(s)”	Shareholders other than Huiiri Limited, and all other Shareholders materially interested in the 2023 Framework Agreements and the continuing connected transactions contemplated thereunder (including their respective proposed annual caps)
“independent third party(ies)”	person(s) or company(ies) which is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ningbo AUX Electric”	寧波奧克斯電氣股份有限公司 (Ningbo AUX Electric Co., Ltd*), a joint stock limited liability company established in the PRC
“Ningbo AUX Healthcare”	寧波奧克斯醫療集團有限公司 (Ningbo AUX Healthcare Group Company Limited*), a limited liability company established in the PRC
“Ningbo AUX Real Estate”	寧波奧克斯置業有限公司 (Ningbo AUX Real Estate Co., Ltd*), a limited liability company established in the PRC
“Ningbo Mingzhou Hospital”	寧波明州醫院有限公司 (Ningbo Mingzhou Hospital Company Limited*), a limited liability company established in the PRC
“Ningbo Sanxing”	寧波三星醫療電氣股份有限公司 (Ningbo Sanxing Medical Electric Co., Ltd.*), a joint stock limited liability company established in the PRC, the issued shares of which are listed on the Shanghai Stock Exchange (stock code: 601567)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Shuyi Property”	曙一物業服務有限公司（前為寧波奧克斯物業服務有限公司）(Shuyi Property Service Co., Ltd.* (formerly known as Ningbo AUX Property Management Service Co., Ltd.*)), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board  
**AUX International Holdings Limited**  
**Zheng Jiang**  
*Chairman*

Hong Kong, 27 November 2023

*As at the date of this announcement, the executive Directors are Mr. Zheng Jiang, Mr. Chan Hon Ki, Ms. Chen Lingxiao and Ms. Shen Guoying, and the independent non-executive Directors are Mr. Poon Chiu Kwok, Mr. Bau Siu Fung and Ms. Lou Aidong.*

\* *The English translations of the Chinese names of the companies established in the PRC are included for identification purpose only*