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**China New City Group Limited**  
**中國新城市集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 1321)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
THE RENEWED FRAMEWORK AGREEMENTS**

**RENEWED FRAMEWORK AGREEMENTS**

Reference is made to the announcement of the Company dated 29 December 2022, in relation to, among other things, the continuing connected transactions of the Company with Zhong An Intelligent contemplated under the Existing Framework Agreements.

As the term of the Existing Framework Agreements will expire on 31 December 2024, on 6 December 2024 (after trading hours), the Company entered into the Renewed Framework Agreements with Zhong An Intelligent for a term of three years from 1 January 2025 to 31 December 2027. Most of the terms of the Renewed Framework Agreements are substantially the same as those of the Existing Framework Agreements.

**LISTING RULES IMPLICATIONS**

Zhong An Intelligent is an indirect subsidiary of Zhong An. As Zhong An is a controlling shareholder of the Company, it is a connected person of the Company. Hence, as Zhong An Intelligent is an associate of Zhong An, it is a connected person of the Company. Accordingly, the transactions under the Renewed Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(2) of the Listing Rules, as (i) the transactions under the Renewed Framework Agreements are on normal commercial terms or better; and (ii) the relevant percentage ratios in respect of the highest aggregated annual cap of the Renewed Framework Agreements exceeds 0.1% but less than 5%, the Renewed Framework Agreements are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **I. BACKGROUND**

Reference is made to the announcement of the Company dated 29 December 2022, in relation to, among other things, the continuing connected transactions of the Company with Zhong An Intelligent contemplated under the Existing Framework Agreements.

As the term of the Existing Framework Agreements will expire on 31 December 2024, on 6 December 2024 (after trading hours), the Company entered into the Renewed Framework Agreements with Zhong An Intelligent for a term of three years from 1 January 2025 to 31 December 2027. Most of the terms of the Renewed Framework Agreements are substantially the same as those of the Existing Framework Agreements.

## **II. CONTINUING CONNECTED TRANSACTIONS UNDER THE RENEWED FRAMEWORK AGREEMENTS**

Principal terms of the Renewed Framework Agreements are set out below:

### **A. Renewed Car Parking Space Sales Agency Services Framework Agreement**

#### ***Date***

6 December 2024

#### ***Parties***

- (a) the Company (for itself and on behalf of its subsidiaries, as service recipients); and
- (b) Zhong An Intelligent (for itself and on behalf of its subsidiaries, as service providers)

#### ***Subject of transactions***

Pursuant to the Renewed Car Parking Space Sales Agency Services Framework Agreement, the Zhong An Intelligent Group would provide agency services for the sales of unsold car parking space, including marketing and advertising services, on an exclusive basis, for such unsold car parking space owned by the Group and located at property projects of the Group that are currently managed by the Zhong An Intelligent Group or expected to be provided for the management of the Zhong An Intelligent Group.

#### ***Term***

From 1 January 2025 and expire on 31 December 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable law and regulations (if any).

### ***Pricing***

The fees payable to the Zhong An Intelligent Group under the Renewed Car Parking Space Sales Agency Services Framework Agreement will be determined on arm's length basis with reference to the following:

- (i) the nature and location of the relevant property projects;
- (ii) the scope of the car parking space sales agency services;
- (iii) the expected operational costs (including, among others, labor costs and administrative costs) in relation to the provision of the car parking space sales agency services; and
- (iv) the fees charged by other service providers for similar services in the market, such that the terms offered by the Zhong An Intelligent Group to the Group shall not be less favourable to the Zhong An Intelligent Group than terms offered by the Zhong An Intelligent Group to its independent customers for the same or similar type and scope of car parking space sales agency services.

### ***Payment***

The specific service fees concerned and other relevant matters will be negotiated by the relevant parties in good faith which will be set out in separate service agreements in accordance with the principles set out in the Renewed Car Parking Space Sales Agency Services Framework Agreement.

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

The following table sets out the historical transaction amount for fees paid by the Group in respect of the car parking space sales agency services for the two years ended 31 December 2023 and the six months ended 30 June 2024:

<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Six months ended 30 June 2024 (RMB'000)</b>
1,811	1,317	464

The Directors noted the decline in the historical transaction amounts for the year ended 31 December 2023 and the six months ended 30 June 2024. The Directors are of the view that due to the recession of the real estate market in the PRC in the past year characterized by a decrease in suitable land acquisition opportunities, certain property development projects of the Group have been postponed which has led to a decline in the demand for the car parking sales agency services provided by the Zhong An Intelligent Group in the aforesaid period.

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

It is estimated that the maximum annual amounts of fees payable to the Zhong An Intelligent Group under the Renewed Car Parking Space Sales Agency Services Framework Agreement for the three years ending 31 December 2027 will not exceed the caps set out below:

<b>Year ending 31 December</b>		
<b>2025</b>	<b>2026</b>	<b>2027</b>
<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
15,000	14,000	12,000

The following factors were considered in arriving at the above annual caps:

- (i) despite the decline in the historical transaction amounts for the year ended 31 December 2023 and the six months ended 30 June 2024 as aforesaid, the Directors take the view that the future introduction of real estate easing policies aimed at “promoting stability and recovery in the real estate market” (“要促進房地產市場止跌回穩”) as announced by the Chinese government in September 2024 shall benefit the property development projects of the Group and thereby increase the demand for the car parking sales agency services provided by the Zhong An Intelligent Group;
- (ii) the number of existing unsold car parking spaces owned by the Group located at property projects of the Group that are currently managed by the Zhong An Intelligent Group;
- (iii) the estimated number of unsold car parking spaces owned by the Group located at property projects of the Group that are expected to be delivered to the Zhong An Intelligent Group for its management; and
- (iv) the expected increase in the service fees to be charged by the Zhong An Intelligent Group considering the expected inflation and increment in the operational costs as incurred by the Zhong An Intelligent Group.

### **B. Renewed Property Management Services Framework Agreement**

#### ***Date***

6 December 2024

#### ***Parties***

- (a) the Company (for itself and on behalf of its subsidiaries, as service recipients); and
- (b) Zhong An Intelligent (for itself and on behalf of its subsidiaries, as service providers)

### ***Subject of transactions***

Pursuant to the Renewed Property Management Services Framework Agreement, the Zhong An Intelligent Group would provide property management services to the Group in respect of residential and non-residential property units that are unsold or undelivered. The scope of property management services includes (i) security services; (ii) cleaning services; (iii) gardening and landscaping services; (iv) repair and maintenance services and/or (v) car park management services.

### ***Term***

From 1 January 2025 and expire on 31 December 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable law and regulations (if any).

### ***Pricing***

The fees payable to the Zhong An Intelligent Group under the Renewed Property Management Services Framework Agreement will be determined on arm's length basis with reference to the following:

- (i) the nature, size and location of the relevant properties;
- (ii) the scope of the property management services;
- (iii) the expected operational costs (including, among others, labor costs, material costs and administrative costs) in relation to the provision of the property management services; and
- (iv) the fees charged by other property management service providers for similar services in respect of similar types of properties in the market; such that the terms offered by the Zhong An Intelligent Group to the Group (a) shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable) and (b) shall not be less favorable to the Zhong An Intelligent Group than terms offered by Zhong An Intelligent Group to its independent customers for the same or similar type and scope of property management services.

### ***Payment***

The specific service fees concerned and other relevant matters will be negotiated by the relevant parties in good faith which will be set out in separate service agreements in accordance with the principles set out in the Renewed Property Management Services Framework Agreement.

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

The following table sets out the historical transaction amount for fees paid by the Group in respect of the property management services for the two years ended 31 December 2023 and the six months ended 30 June 2024:

<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Six months ended 30 June 2024 (RMB'000)</b>
22,715	15,581	5,648

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

It is estimated that the maximum annual amounts of fees payable to the Zhong An Intelligent Group under the Renewed Property Management Services Framework Agreement for the three years ending 31 December 2027 will not exceed the caps set out below:

<b>Year ending 31 December</b>		
<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
15,000	14,000	13,000

The following factors were considered in arriving at the above annual caps:

- (i) the historical transaction amounts over the two years ended 31 December 2023 and the six months ended 30 June 2024;
- (ii) the gross floor area (“GFA”) of property units developed by the Group that are unsold and undelivered and are currently managed by the Zhong An Intelligent Group;
- (iii) the estimated GFA of property units developed by the Group that are unsold and undelivered and are expected to be delivered to the Zhong An Intelligent Group for its management; and
- (iv) the expected increase in the property management service fee to be charged by the Zhong An Intelligent Group considering the expected inflation and increment in the operational costs as incurred by the Zhong An Intelligent Group.

## **C. Renewed Value-added Services Framework Agreement**

### ***Date***

6 December 2024

### ***Parties***

- (a) the Company (for itself and on behalf of its subsidiaries, as service recipients); and
- (b) Zhong An Intelligent (for itself and on behalf of its subsidiaries, as service providers)

### ***Subject of transactions***

Pursuant to the Renewed Value-added Services Framework Agreement, the Zhong An Intelligent Group would provide value-added services to the Group. The scope of value-added services under the Renewed Value-added Services Framework Agreement includes (i) sales office management services mainly including provision of property management services at property sales venues and display units of the Group, (ii) preliminary planning and design consultancy services to the Group and (iii) pre-delivery inspection services.

### ***Term***

From 1 January 2025 and expire on 31 December 2027, which may be renewed as the parties may mutually agree, subject to compliance with the requirements under the Listing Rules and all other applicable law and regulations (if any).

### ***Pricing***

The fees payable to the Zhong An Intelligent Group under the Renewed Value-added Services Framework Agreement will be determined on arm's length basis with reference to the following:

- (i) the scope of the value-added services;
- (ii) the expected operational costs (including, among others, labor costs, material costs and administrative costs) in relation to the provision of the value-added services; and
- (iii) the fees charged by other pre-delivery service providers for similar services in the market, such that the terms offered by the Zhong An Intelligent Group to the Group shall not be less favorable to the Zhong An Intelligent Group than terms offered by Zhong An Intelligent Group to its independent customers for the same or similar type and scope of value-added services.

## ***Payment***

The specific service fees concerned and other relevant matters will be negotiated by the relevant parties in good faith which will be set out in separate service agreements in accordance with the principles set out in the Renewed Value-added Services Framework Agreement.

## ***Historical transaction amounts***

The following table sets out the historical transaction amount for fees paid by the Group in respect of the value-added services for the two years ended 31 December 2023 and the six months ended 30 June 2024:

<b>Year ended 31 December 2022 (RMB'000)</b>	<b>Year ended 31 December 2023 (RMB'000)</b>	<b>Six months ended 30 June 2024 (RMB'000)</b>
7,144	3,451	3,669

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

It is estimated that the maximum annual amounts of fees payable to the Zhong An Intelligent Group under the Renewed Value-added Services Framework Agreement for the three years ending 31 December 2027 will not exceed the caps set out below:

<b>Year ending 31 December</b>		
<b>2025 (RMB'000)</b>	<b>2026 (RMB'000)</b>	<b>2027 (RMB'000)</b>
22,000	21,000	22,000

The following factors were considered in arriving at the above annual caps:

- (i) the historical transaction amounts over the two years ended 31 December 2023 and the six months ended 30 June 2024;
- (ii) the estimated duration of the service period of the existing projects and expected projects of the Group, which is expected to increase due to the weak market sentiment which shall require a longer service period by the Zhong An Intelligent Group; and
- (iii) the expected increase in the service fees to be charged by the Zhong An Intelligent Group considering the expected inflation and increment in the operational costs as incurred by the Zhong An Intelligent Group.



### **III. REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED FRAMEWORK AGREEMENTS**

As the Existing Framework Agreements will expire on 31 December 2024, the entering into of the Renewed Framework Agreements is for the purposes of (i) assurance of continuous provision of services to the Group; (ii) coping with the operation needs and business development of the Group; and (iii) fulfilling the needs in relation to the expansion of the Company's business development in the next three years. Zhong An Intelligent Group is with respectable experience and reputation in its areas of businesses or services and solid financial standing. The Directors therefore believe that the continuance of the strategic business relationships with the Zhong An Intelligent Group will not only allow the realisation of synergies and economies of scale, but will also continue to bring sustainable contribution to the Group's growth in the long run.

In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Renewed Framework Agreements and the transactions contemplated thereunder and their respective annual caps are fair and reasonable, entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and are in the interests of the Company and its shareholders as a whole.

### **IV. LISTING RULES IMPLICATIONS**

Zhong An Intelligent is an indirect subsidiary of Zhong An. As Zhong An is a controlling shareholder of the Company, it is a connected person of the Company. Hence, as Zhong An Intelligent is an associate of Zhong An, it is a connected person of the Company. Accordingly, the transactions under the Renewed Framework Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.76(2) of the Listing Rules, as (i) the transactions under the Renewed Framework Agreements are on normal commercial terms or better; and (ii) the relevant percentage ratios in respect of the highest aggregated annual cap of the Renewed Framework Agreements exceeds 0.1% but less than 5%, the Renewed Framework Agreements are subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr Shi Zhongan, being the non-executive Director of the Company and an executive director of Zhong An Intelligent shall abstain and did abstain from voting on the relevant Board resolutions to approve the Renewed Framework Agreements. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Directors had any material interest in the Renewed Framework Agreements and the transactions contemplated thereunder.

## V. INFORMATION OF THE PARTIES

The Company is an investment holding company. The Group is principally engaged in commercial property investment for leasing, commercial property development for sale and leasing and commercial property management in the PRC.

Zhong An Intelligent Group is an integrated property management service provider principally engaged in the provision of property management services, value-added services mainly to property developers and community value-added services in the PRC.

## DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	China New City Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1321)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Existing Framework Agreements”	collectively, the car parking space sales agency services framework agreements; the provision of property management services framework agreements; and the value-added services framework agreements entered into by the Company and Zhong An Intelligent on 29 December 2022
“Group”	the Company and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Renewed Car Parking Space Sales Agency Services Framework Agreement”	the car parking space sales agency services framework agreement dated 6 December 2024 entered into between the Company and Zhong An Intelligent

“Renewed Framework Agreements”	collectively, the Renewed Car Parking Space Sales Agency Services Framework Agreement, the Renewed Property Management Services Framework Agreement, and the Renewed Value-added Services Framework Agreement
“Renewed Property Management Services Framework Agreement”	the property management services framework agreement dated 6 December 2024 entered into between the Company and Zhong An Intelligent
“Renewed Value-added Services Framework Agreement”	the value-added services framework agreement dated 6 December 2024 entered into between the Company and Zhong An Intelligent
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Zhong An”	Zhong An Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 672)
“Zhong An Intelligent”	Zhong An Intelligent Living Service Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2271)
“Zhong An Intelligent Group”	Zhong An Intelligent and its subsidiaries from time to time
“%”	per cent

By order of the Board  
**China New City Group Limited**  
中國新城市集團有限公司  
**Shi Zhongan**  
*Chairperson*

The People’s Republic of China, 6 December 2024

*As at the date of this announcement, the Board comprises Mr Shi Nanlu and Mr Jin Jianrong as executive Directors; Mr Shi Zhongan as non-executive Director; and Mr Xu Chengfa, Mr Lam Yau Yiu and Mr Yuan Yuan as independent non-executive Directors.*