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華潤建材科技控股有限公司

China Resources Building Materials Technology Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1313)

**CONTINUING CONNECTED TRANSACTIONS
VALUE-ADDED SERVICES FRAMEWORK AGREEMENT**

On 29 December 2023, the Company and CR Mixc Lifestyle (and its subsidiaries as service provider) entered into the Value-Added Services Framework Agreement, and accordingly, set the annual caps during the term of the Value-Added Services Framework Agreement.

The proposed annual caps of RMB50,000,000 per annum (equivalent to approximately HK\$55,000,000) (exclusive of tax) have been determined with reference to, among others, the following factors: (i) the type, quality and service level of the Value-Added Services to be provided by CR Mixc Lifestyle Group, (ii) the Group's demand on the Value-Added Services for its business development; and (iii) the historical transaction amount.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps of the Value-Added Services Framework Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Value-Added Services Framework Agreement are only subject to reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

On 29 December 2023, the Company and CR Mixc Lifestyle (and its subsidiaries as service provider) entered into the Value-Added Services Framework Agreement, and accordingly, set the annual caps during the term of the Value-Added Services Framework Agreement.

VALUE-ADDED SERVICES FRAMEWORK AGREEMENT

(1) Date

29 December 2023

(2) Parties

- (a) the Company; and
- (b) CR Mixc Lifestyle.

(3) Term

From 29 December 2023 to 31 December 2025.

(4) Subject Matter – Value-Added Services

CR Mixc Lifestyle Group shall provide the Group with various value-added services, such as corporate administrative services, integrated services in park areas, maintenance and repairs of construction in park areas, outsourced labour services, staff living services, brokerage and asset services, merchandise procurement and retail services, etc.

(5) Pricing Policy and Payment Arrangements

According to the pricing policy contemplated under the Value-Added Services Framework Agreement, the relevant transaction terms of the Value-Added Services (such as service fees, payment progress and methods, and other miscellaneous charges) shall be determined after arm's length negotiations with reference to (i) the scopes and standards of the services to be provided; (ii) type, location and area of the properties; (iii) the expected operating costs of providing relevant services (including, among others, labour costs, material costs and administrative costs); and (iv) the prices that the Group usually pays to the independent third-parties for similar services and the prices that CR Mixc Lifestyle Group usually charges to independent third-parties for similar services. From the perspective of each party, the transaction terms to be entered into shall be no less favourable than those terms offered by the other party to independent third-parties or by independent third-parties to the other party. If there are governmental indicators applicable to any charges for the Value-Added Services, the relevant charges shall be set according to the applicable governmental indicators or guidance prices.

On the basis of the Value-Added Services Framework Agreement, the timing and methods of price payments of the Value-Added Services shall be determined by specific agreements to be entered into by the parties. The terms of such specific agreements shall be consistent with the principles and requirements of the Value-Added Services Framework Agreement.

INTERNAL CONTROL MEASURES

In order to ensure that all continuing connected transactions of the Group comply with the Listing Rules, the Company has formulated and continuously improved the management measures for connected transactions which sets forth the procedures for approval of connected transaction contracts and management of continuing connected transactions.

Before entering into the Value-Added Services Framework Agreement in its ordinary and usual course of business, the Group has conducted research study on the market price fairness by obtaining and comparing the prevailing price quotations and pricing terms of the same or similar transactions from other independent suppliers in the vicinity according to its internal approval and monitoring procedures for continuing connected transactions, in order to select suppliers upon comprehensive consideration of various assessment criteria (including but not limited to the prices, the level and quality of tailor-made services, suitability, payment terms, and time required for the provision of goods or services) and determine the relevant procurement terms through negotiations based on the business needs of the project, the types and scale of the procurement. Such quotes, together with the offer from the connected person, and the Value-Added Services Framework Agreement shall be reviewed by the management, finance personnel and legal personnel of the Company according to the Group's internal approval and monitoring procedures. Afterwards, the Value-Added Services Framework Agreement, the continuing connected transactions contemplated thereunder and the annual caps would be submitted to the Board for consideration and approval.

The finance department of the relevant members of the Group will be responsible for the monthly reporting of the amount of continuing connected transactions to the finance department of the Company for monitoring the annual caps of the relevant transactions every month and issuing warning to the Board, relevant departments and business units of the Group when the utilization rate of annual cap reaches 80%, which will facilitate the Board to consider implementation of relevant response measures such as the revision of annual cap. The continuing connected transactions shall also be subject to review and audit by independent non-executive Directors and auditors respectively every year pursuant to Chapter 14A of the Listing Rules. Among which, the independent auditor shall sample check, among other things, the compliance of such pricing terms with the pricing policies or mechanisms under the Value-Added Services Framework Agreement.

ANNUAL CAPS AND BASIS OF DETERMINATION

The proposed annual caps of the transactions contemplated under the Value-Added Services Framework Agreement are RMB50,000,000 per annum (equivalent to approximately HK\$55,000,000) (exclusive of tax) for the year ending 31 December 2023, the year ending 31 December 2024 and the year ending 31 December 2025, which have been determined with reference to, among others, the following factors: (i) the type, quality and service level of the Value-Added Services to be provided by CR Mixc Lifestyle Group, (ii) the Group's demand on the Value-Added Services for its business development; and (iii) the historical transaction amount.

The continuing connected transactions contemplated under the Value-Added Services Framework Agreement are recurring in nature and will continue in the ordinary and usual course of business of the Group.

In compliance with the Listing Rules, the Company has been closely monitoring the continuing connected transactions between the Group and CR Mixc Lifestyle Group through various internal control measures. For the year ended 31 December 2022 and during the period from 1 January 2023 to 30 June 2023, all applicable percentage ratios set out in Rule 14.07 of the Listing Rules calculated based on the total amount of continuing connected transactions in respect of the Value-Added Services are below 0.1%. Set out below are the approximate historical amounts of the Value-Added Services procured by the Group from CR Mixc Lifestyle Group in the past:

	<i>RMB</i>	<i>HK\$ equivalent</i>
for the year ended 31 December 2022	5,826,000	6,409,000
for the six months ended 30 June 2023	8,929,000	9,822,000

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Value-Added Services Framework Agreement will enable the Group to obtain stable and reliable Value-Added Services at fair, reasonable and competitive prices, reduce the Group's staffing and operating costs, and bring operational convenience to the Group. The cooperation under the Value-Added Services Framework Agreement will support the development within the China Resources Group on normal commercial terms and on a scale which will not place the Group's resources at risk or affect its relationship with other independent third-party suppliers.

All Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under the Value-Added Services Framework Agreement are negotiated on arm's length basis, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Value-Added Services Framework Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, (1) CR Mixc Lifestyle is held as to approximately 72.29% by China Resources Land Limited; (2) China Resources Land Limited is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by CRC, the controlling shareholder of the Company. Accordingly, under Chapter 14A of the Listing Rules, CR Mixc Lifestyle is a connected person of the Company and the transactions contemplated under the Value-Added Services Framework Agreement constitute continuing connected transactions for the Company.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps of the Value-Added Services Framework Agreement exceed 0.1% but are less than 5%, the continuing connected transactions contemplated under the Value-Added Services Framework Agreement are only subject to reporting, announcement and annual review requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the Value-Added Services Framework Agreement and the transactions contemplated thereunder and none of the Directors abstained from voting on the relevant Board resolutions approving the Value-Added Services Framework Agreement and the transactions contemplated thereunder.

INFORMATION OF THE PARTIES TO THE TRANSACTIONS AND THEIR ULTIMATE BENEFICIAL OWNER

CR Mixc Lifestyle

CR Mixc Lifestyle is a limited liability company incorporated in the Cayman Islands on 18 May 2017, whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1209). As at the date of this announcement, (1) CR Mixc Lifestyle is held as to approximately 72.29% by China Resources Land Limited; (2) China Resources Land Limited is indirectly held as to approximately 59.55% by CRH, which is in turn ultimately owned by CRC. CR Mixc Lifestyle Group is mainly engaged in the provision of residential property management services and commercial operational and property management services in PRC.

The Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability, whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1313). As at the date of this announcement, approximately 68.72% of the shares issued by the Company are indirectly held by CRH, which in turn is ultimately owned by CRC. The Group is principally engaged in the manufacture and sale of cement, concrete, other construction materials and other related products and services in PRC and Hong Kong.

CRC

CRC, the ultimate beneficial owner of the Company and CR Mixc Lifestyle, is a company established in PRC with limited liability and is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the State Council of PRC. It is the holding company of CRH, and is a conglomerate which holds a variety of businesses in PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

DEFINITIONS

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

“Board”	board of Directors;
“Company”	China Resources Building Materials Technology Holdings Limited (formerly known as China Resources Cement Holdings Limited), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1313);
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules;
“CR Mixc Lifestyle”	China Resources Mixc Lifestyle Services Limited, an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the main board of the Stock Exchange (stock code: 1209);
“CR Mixc Lifestyle Group”	CR Mixc Lifestyle and its subsidiaries;
“CRC”	China Resources Company Limited, a limited liability company established in PRC;
“CRH”	China Resources (Holdings) Company Limited, a limited liability company incorporated in Hong Kong, the intermediate holding company of the Company and CR Mixc Lifestyle, which is ultimately owned by CRC;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Value-Added Services”	has the meaning ascribed thereto in the section headed “Subject Matter – Value-Added Services” in this announcement; and
“Value-Added Services Framework Agreement”	the Value-Added Services Framework Agreement entered into between the Company and CR Mixc Lifestyle on 29 December 2023.

By order of the Board
**CHINA RESOURCES BUILDING MATERIALS
TECHNOLOGY HOLDINGS LIMITED**
JI Youhong
Chairman

Hong Kong, 29 December 2023

For the purposes of this announcement and illustration only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1.00 to HK\$1.10 for the date of this announcement. No representation is made that any amount in HK\$ or RMB could have been or could be converted at the above rate or at any other rates.

As at the date of this announcement, the executive Directors are Mr. JI Youhong and Mr. JING Shiqing; the non-executive Directors are Mr. ZHU Ping, Mr. YU Shutian, Mr. ZHOU Bo and Mr. YANG Changyi; and the independent non-executive Directors are Mr. IP Shu Kwan Stephen, Mr. SHEK Lai Him Abraham, Madam ZENG Xuemin and Mr. NG Kam Wah Webster.