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華潤萬象生活有限公司

China Resources Mixc Lifestyle Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1209)

CONNECTED TRANSACTION ACQUISITION OF INTANGIBLE ASSETS

On 30 March 2021, CR Mixc Shenzhen (as transferee) entered into (i) the Copyrights Transfer Agreement with Shenzhen Qianhai (as transferor), where Shenzhen Qianhai agrees to transfer, among others, the ownership, operating rights and software copyrights pertinent to the Programmes to CR Mixc Shenzhen; and (ii) the Domain Names Transfer Agreement with CR Shenzhen (as transferor), where CR Shenzhen agrees to transfer, among others, the ownership of the Domain Names.

As at the date of this Announcement, approximately 72.29% of the shares issued by the Company are directly held by CRL. CRL is the controlling shareholder of the Company and therefore a connected person of the Company. As CR Mixc Shenzhen is a wholly-owned subsidiary of the Company and both Shenzhen Qianhai and CR Shenzhen are wholly-owned subsidiaries of CRL, the entering into of the Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the highest percentage ratios (as defined under the Listing Rules) in respect of the Copyrights Transfer Agreement and the Domain Names Transfer Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under each of the Transfer Agreements are only subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

THE TRANSFER AGREEMENTS

On 30 March 2021, CR Mixc Shenzhen (as transferee) entered into (i) the Copyrights Transfer Agreement with Shenzhen Qianhai (as transferor), where Shenzhen Qianhai agrees to transfer, among others, the ownership, operating rights and software copyrights pertinent to the Programmes to CR Mixc Shenzhen; and (ii) the Domain Names Transfer Agreement with CR Shenzhen (as transferor), where CR Shenzhen agrees to transfer, among others, the ownership of the Domain Names.

1. Copyrights Transfer Agreement

Principal terms of the Copyrights Transfer Agreement are summarised as follows:

Date : 30 March 2021

Parties : (1) Shenzhen Qianhai, a wholly-owned subsidiary of CRL, as transferor; and
(2) CR Mixc Shenzhen, a wholly-owned subsidiary of the Company, as transferee

Programmes : 53 different programmes in total, comprising:

- (i) four mobile applications in connection with the “E-MIXC (一點萬象)” platform;
- (ii) 48 relevant WeChat mini programmes; and
- (iii) one Alipay mini programme

The aforesaid programmes include the underlying source codes, design documents and/or files, and data.

As advised by Shenzhen Qianhai, the development cost of the Programmes was approximately RMB100,874,000. As the development cost of the Programmes was expensed and no assets were recognised based on the accounting standards adopted by Shenzhen Qianhai, the Programmes had nil book value as of 28 February 2021.

Consideration : RMB116,005,400, which is payable by CR Mixc Shenzhen within six months from the date of the agreement

The consideration was arrived at after arm’s length negotiation between the parties based on the business valuation carried out by an independent and qualified valuer engaged by CR Shenzhen and Shenzhen Qianhai. The appraised value of the Programmes as at 30 April 2020 was RMB116,005,400 under the cost approach. In this connection, the Board (including the independent non-executive Directors) is of the view that consideration is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

2. Domain Names Transfer Agreement

Principal terms of the Domain Names Transfer Agreement are summarised as follows:

Date : 30 March 2021

Parties : (1) CR Shenzhen, a wholly-owned subsidiary of CRL, as transferor; and
(2) CR Mixc Shenzhen, a wholly-owned subsidiary of the Company, as transferee

Domain Names : six domain names in connection with the “E-MIXC (一點萬象)” platform

As advised by Shenzhen Qianhai, the development cost of the Domain Names was approximately RMB300. As the development cost of the Domain Names was expensed and no assets were recognised based on the accounting standards adopted by CR Shenzhen, the Domain Names had nil book value as of 28 February 2021.

Consideration : RMB1,600, which is payable by CR Mixc Shenzhen within six months from the date of the agreement

The consideration was arrived at after arm’s length negotiation between the parties based on the business valuation carried out by an independent and qualified valuer engaged by CR Shenzhen and Shenzhen Qianhai. The appraised value of the Domain Names as at 30 April 2020 was RMB1,600 under the cost approach. In this connection, the Board (including the independent non-executive Directors) is of the view that consideration is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The terms of each of the Transfer Agreements were agreed by the parties after arm’s length negotiations and are on normal commercial terms. The consideration under the Transfer Agreements will be settled out of the internal financial resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSFER AGREEMENTS

The Group is principally engaged in property management and commercial operational services in the PRC. As an online extension of shopping mall commercial operational services, E-MIXC (一點萬象) is an official online customer service platform that the Company operates to facilitate consumers’ shopping experience, which is provided through mobile applications and WeChat official accounts. The platform provides brief introduction of each of the Company’s operated shopping malls and regularly releases news and updated information regarding sales promotion, service updates and other shopping malls activities.

As disclosed in the offering document of the Company dated 25 November 2020 in respect of the global offering of shares in the share capital of the Company (the “Offering Document”), prior to the listing of the Company, CRL has agreed to transfer to the Company the operating rights of, and relevant software copyrights pertinent to, the E-MIXC (一點萬象) mobile application and relevant WeChat mini programmes (which are already under the effective operation by us). Accordingly, the transaction under the Copyright Transfer Agreement is contemplated prior to the listing of the Company.

The Board believes that the acquisition of the Intangible Assets provide an appealing investment opportunity for the Group which will enable the Group to have ownership, management and operating rights to freely edit and develop the Programmes and utilise the Domain Names in order to fully utilise the full potential of the Intangible Assets without any reliance on CRL Group. The acquisition will also enable the Group to further enhance and upgrade its information technology service to its customers, which is in line with the Company’s future plan disclosed in the Offering Document to invest approximately HK\$220 million of the net proceeds from the global offering to upgrade the digital service platforms, including the E-MIXC platform.

The Board (including the independent non-executive Directors) is of the view that terms of the Transfer Agreements were determined after arm’s length negotiations between the Company, Shenzhen Qianhai and CR Shenzhen, which are fair and reasonable, and the entering into of the Transfer Agreements 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.

None of the Directors have any material interest in the Transfer Agreements and none of them abstained from voting on the relevant board resolutions.

INFORMATION ABOUT THE PARTIES

The Group

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Stock Exchange. As at the date of the announcement, approximately 72.29% of the shares issued by the Company are directly held by CRL which in turn is ultimately owned by CRCL, a state-owned enterprise in the PRC under the supervision of the SASAC.

The Group is principally engaged in property management and commercial operational service in the PRC and provides property management to residential properties and commercial properties, comprising shopping malls and office buildings. E-MIXC (一點萬象) is one of the online customer service platforms that the Company operates to facilitate consumers’ shopping experience.

CR Mixc Shenzhen, a wholly-owned subsidiary of the Company, is a company incorporated in the PRC with limited liability and is principally engaged in the business of commercial operational services.

Shenzhen Qianhai

Shenzhen Qianhai is a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of CRL. Shenzhen Qianhai is principally engaged in the business of internet and related services, software and information technology services and development of e-commerce technologies.

CR SHENZHEN

CR Shenzhen is a wholly-foreign-owned enterprise established and operating in the PRC with limited liability and is a wholly-owned subsidiary of CRL. CR Shenzhen is principally engaged in the business of business information and business management consulting, marketing planning, and computer software technical services.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, approximately 72.29% of the shares issued by the Company are directly held by CRL. CRL is the controlling shareholder of the Company and therefore a connected person of the Company. As CR Mixc Shenzhen is a wholly-owned subsidiary of the Company and both Shenzhen Qianhai and CR Shenzhen are wholly-owned subsidiaries of CRL, the entering into of the Transfer Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the highest percentage ratios (as defined under the Listing Rules) in respect of the Copyrights Transfer Agreement and the Domain Names Transfer Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under each of the Transfer Agreements are only subject to reporting and announcement requirements but are exempt from the independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Resources Mixc Lifestyle Services Limited, a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the main board of the Stock Exchange (stock code: 1209)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Copyrights Transfer Agreement”	the copyrights transfer agreement entered into between Shenzhen Qianhai as transferor and CR Mixc Shenzhen as transferee in relation to the transfer of the Programmes dated 30 March 2021

“CR Mixc Shenzhen”	China Resources Mixc Commercial (Shenzhen) Co. Ltd.* (華潤萬象商業(深圳)有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by the Company
“CR Shenzhen”	China Resources Land (Shenzhen) Company Limited* (華潤置地(深圳)有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by CRL
“CRCL”	China Resources Company Limited* (中國華潤有限公司), a company incorporated in the PRC with limited liability
“CRL”	China Resources Land Limited (華潤置地有限公司), a company incorporated in the Cayman Islands with limited liability whose issued shares are listed on the main board of the Stock Exchange (stock code: 1109)
“CRL Group”	CRL and its subsidiaries, but excluding the Group
“Directors”	the directors of the Company
“Domain Names”	six domain names in connection with the “E-MIXC (一點萬象)” platform
“Domain Names Transfer Agreement”	the domain names transfer agreement entered into between CR Shenzhen as transferor and CR Mixc Shenzhen as transferee in relation to the transfer of the Domain Names dated 30 March 2021
“Group”	the Company and its subsidiaries, including CR Mixc Shenzhen
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intangible Assets”	the Programmes and the Domain Names
“Programmes”	53 different programmes in total, including four mobile applications in connection with the “E-MIXC (一點萬象)” platform, 48 relevant WeChat mini programmes and one Alipay mini programme The aforesaid programmes include the underlying source codes, design documents and/or files, and data.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	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 the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC
“Shareholders”	persons whose names appear on the register of members as registered holders of the shares of the Company
“Shenzhen Qianhai”	Shenzhen Qianhai Chengcang Technology Internet Co., Ltd.* (深圳前海橙倉科技互聯有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by CRL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreements”	the Copyrights Transfer Agreement and the Domain Names Transfer Agreement

* *for identification purposes only*

On behalf of
China Resources Mixc Lifestyle Services Limited
YU Linkang
President

Hong Kong, 30 March 2021

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