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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 DISPOSAL OF ASSETS

On 30 March 2021, CR Property Management (a wholly-owned subsidiary of the Company) entered into the Agreement with Pinghu Zhenshang pursuant to which CR Property Management agreed to dispose and Pinghu Zhenshang agreed to acquire the Assets at an aggregate consideration of RMB19,157,619.64.

As at the date of this announcement, CRL is a controlling Shareholder of the Company interested in approximately 72.29% of the total issued share capital of the Company, CRL is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As Pinghu Zhenshang is a wholly-owned subsidiary of CRL, the entering into of the Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal is only subject to the reporting and announcement requirements under the Listing Rules, and is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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THE AGREEMENT

Principal terms of the Agreement are summarised as follows:

Date: 30 March 2021

Parties: (1) CR Property Management (as vendor), and
(2) Pinghu Zhenshang (as purchaser)

Subject matter

The Assets include: (i) approximately 9,100 planting stocks such as Ginkgo (銀杏) and lacebark pine (白皮松) which were planted by the Company and/or third parties commissioned by the Company (the “**Planting Stocks**”); and (ii) related fixed assets such as lawn mowers and insecticide sprayer. The Assets had been held by the Group for more than 12 months.

Consideration

The consideration of the transfer of Assets is RMB19,157,619.64 which is payable by Pinghu Zhenshang by 31 March 2021. The consideration was arrived at after arm’s length negotiation between the parties based on the unaudited book value of the Planting Stocks and the related fixed assets as of 28 February 2021 of RMB19,143,746.12 and RMB13,873.52 respectively.

The Company had also referred to the business valuation carried out by an independent and qualified valuer engaged by the Company, and the appraised market value of the Planting Stocks as at 31 December 2020 was RMB18,300,034.67 under the market 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.

Completion

Completion of the Disposal had taken place on the date of the Agreement. Title to and risks relating to the Assets passed from CR Property Management to Pinghu Zhenshang on completion.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in property management and commercial operational service in the PRC.

The revenue generated from the sale of Planting Stocks represented less than 0.02% of the total revenue of the Group for the year ended 31 December 2020. The main purpose of disposing the Assets is to divest the relevant business of the Group so as to ensure that the Group can focus its time and resources on its principal businesses in property management and commercial operational services. The relevant business was not divested before the listing of the Company as no suitable purchaser was identified back then and given the Assets and the relevant business are insignificant to the Group, the Company saw no imminent need to dispose of the Assets and related business before the listing. The Company is given to understand that CRL is willing to acquire the Assets from the Group, the Company considers that it is in the interest of the Company and its shareholders as a whole to dispose of the Assets to CRL.

The Board (including the independent non-executive Directors) believes that the Disposal can further optimise the operating capacity and assets structure of the Group and is of the view that terms of the Agreement are fair and reasonable, and the entering into of the Agreement is conducted 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 Agreement and none of them abstained from voting on the relevant board resolutions.

USE OF PROCEEDS

The proceeds from the Disposal are intended to be used as general working capital of the Group.

FINANCIAL IMPACT OF THE DISPOSAL

As the consideration of the Disposal is based on the unaudited net book value of the Assets of RMB19,157,619.64 as at 28 February 2021, based on the unaudited net book value of the Assets as at 30 March 2021 and having considered the relevant tax payable by the Company, it is expected that the Company will recognise negligible gain of approximately RMB239 from the Disposal. Upon completion of the Disposal, the Assets ceased to be classified as current assets of the Company and the Company will recognise an equal amount of cash from the proceeds of the Disposal. The actual gain or loss to be recognised by the Company from the Disposal is subject to the actual carrying value of the Assets and the audit by the auditors of the Company, which may be different from the above figure.

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 services in the PRC and provides property management to residential properties and commercial properties, comprising shopping malls and office buildings.

CR Property Management, 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 construction services and decoration services.

Pinghu Zhenshang

Pinghu Zhenshang is a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of CRL. Pinghu Zhenshang is principally engaged in the business of urban landscaping, sales of plant seedlings and production of tree seeds.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, CRL is a controlling Shareholder of the Company interested in approximately 72.29% of the total issued share capital of the Company, CRL is therefore a connected person of the Company under Chapter 14A of the Listing Rules. As Pinghu Zhenshang is a wholly-owned subsidiary of CRL, the entering into of the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal is only subject to the reporting and announcement requirements under the Listing Rules, and is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement entered into between CR Property Management and Pinghu Zhenshang in relation to the transfer of the Assets dated 30 March 2021
“Assets”	(i) the Planting Stocks; and (ii) related fixed assets such as lawn mowers and insecticide sprayer, to be transferred to Pinghu Zhenshang by CR Property Management pursuant to the Agreement
“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
“CR Property Management”	CR Property Management Engineering Technology Co. Ltd.* (華潤物業工程科技有限公司), a company incorporated in the PRC with limited liability, which is wholly-owned by the Company
“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)
“Directors”	the directors of the Company
“Disposal”	the disposal of the Assets by CR Property Management to Pinghu Zhenshang pursuant to the Agreement
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pinghu Zhenshang”	Pinghu Zhenshang Landscaping Co., Ltd Beijing Branch* (平湖市臻尚園林綠化有限公司北京分公司), a company incorporated in the PRC with limited liability, which is wholly-owned by CRL
“Planting Stocks”	has the meaning as defined under the sub-section headed “THE AGREEMENT — Subject matter”
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

* *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.