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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)**

## **REVISION OF ANNUAL CAPS FOR CERTAIN CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Prospectus in relation to the Existing Value-added Services Framework Agreement and the Existing Property Management Services Framework Agreement.

### **PROVISION OF COMMUNITY VALUE-ADDED SERVICES**

In view of the increasing demand from the CRH Connected Persons for the Group's community value-added services, the Board expects that the existing annual cap for the provision of community value-added services procured by the CRH Connected Persons from the Company for the year ending 31 December 2022 (the "**Existing Annual Cap for Community Value-added Services**") will not be sufficient to meet the demand. Accordingly, the Company entered into the Supplemental Value-added Services Framework Agreement with CRH on 25 October 2022, pursuant to which the parties agreed to revise and increase the Existing Annual Cap for Community Value-added Services to the revised annual cap for the provision of community value-added services for the year ending 31 December 2022 (the "**Revised Annual Cap for Community Value-added Services**").

## **PROVISION OF PROPERTY MANAGEMENT SERVICES FOR (1) RESIDENTIAL AND OTHER NON-COMMERCIAL PROPERTIES AND (2) COMMERCIAL PROPERTIES**

In view of (1) the increasing demand from the CRH Connected Persons for the Group's property management services for residential and other non-commercial properties (including those for industrial parks) and (2) the lower than expected demand from the CRH Connected Persons for the Group's property management services for commercial properties, the Board expects that the existing annual cap for the provision of residential and other non-commercial property management services provided by the Company to the CRH Connected Persons for the year ending 31 December 2022 (the "**Existing Annual Cap for Residential and Other Non-Commercial Property Management Services**") will not be sufficient to meet the demand and the existing annual cap for the provision of commercial property management services for the same period (the "**Existing Annual Cap for Commercial Property Management Services**", together with the Existing Annual Cap for Residential and Other Non-Commercial Property Management Services, the "**Existing Annual Caps for Property Management Services**") will be higher than the actual provision amount. Accordingly, the Company entered into the Supplemental Property Management Services Framework Agreement with CRH on 25 October 2022, pursuant to which the parties agreed to revise and increase the Existing Annual Cap for Residential and Other Non-Commercial Property Management Services to the revised annual cap for the provision of residential and other non-commercial properties for the year ending 31 December 2022 (the "**Revised Annual Cap for Residential and Other Non-Commercial Property Management Services**") and to revise and decrease the Existing Annual Cap for Commercial Property Management Services to the revised annual cap for the provision of commercial property management services for the year ending 31 December 2022 (the "**Revised Annual Cap for Commercial Property Management Services**", together with the Revised Annual Cap for Residential and Other Non-Commercial Property Management Services, the "**Revised Annual Caps for Property Management Services**").

## **IMPLICATIONS UNDER THE LISTING RULES**

As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land and CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited. Therefore, the Existing Value-added Services Framework Agreement, Supplemental Value-added Services Framework Agreement, Existing Property Management Services Framework Agreement and Supplemental Property Management Services Framework Agreement constitute continuing connected transactions of the Company.

As the applicable percentage ratios in respect of the Revised Annual Cap for Community Value-added Services and Revised Annual Caps for Property Management Services are more than 0.1% but less than 5%, the revised annual caps under the Supplemental Value-added Services Framework Agreement and the Supplemental Property Management Services Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **I. BACKGROUND**

Reference is made to the continuing connected transactions between the Company and CRH under the Existing Value-added Services Framework Agreement and the Existing Property Management Services Framework Agreement, details of which are disclosed in the Prospectus.

#### **Provision of Community Value-added Services**

In view of the increasing demand from the CRH Connected Persons for the Group's community value-added services, the Board expects that the Existing Annual Cap for Community Value-added Services procured by the CRH Connected Persons from the Company for the year ending 31 December 2022 will not be sufficient to meet the demand. Accordingly, the Company entered into the Supplemental Value-added Services Framework Agreement with CRH on 25 October 2022, pursuant to which the parties agreed to revise and increase the Existing Annual Cap for Community Value-added Services to the Revised Annual Cap for Community Value-added Services.

## **Provision of property management services for (1) residential and other non-commercial properties and (2) commercial properties**

In view of (1) the increasing demand from the CRH Connected Persons for the Group's property management services for residential and other non-commercial properties (including those for industrial parks), and (2) the lower than expected demand from the CRH Connected Persons for the Group's property management services for commercial properties, the Board expects that the Existing Annual Cap for Residential and Other Non-Commercial Property Management Services will not be sufficient to meet the demand and the Existing Annual Cap for Commercial Property Management Services will be higher than the actual provision amount. Accordingly, the Company entered into the Supplemental Property Management Services Framework Agreement with CRH on 25 October 2022, pursuant to which the parties agreed to revise and increase the Existing Annual Cap for Residential and Other Non-Commercial Property Management Services to the Revised Annual Cap for Residential and Other Non-Commercial Property Management Services and to revise and decrease the Existing Annual Cap for Commercial Property Management Services to the Revised Annual Cap for Commercial Property Management Services.

## **II. THE SUPPLEMENTAL VALUE-ADDED SERVICES FRAMEWORK AGREEMENT**

The key terms of the Supplemental Value-added Services Framework Agreement are set out below:

Parties	:	The Company and CRH
Date	:	25 October 2022
Nature of transaction	:	Provision of community value-added services (such as community living services and brokerage and assets services)
Subject Matter	:	The other terms and pricing basis of the Existing Value-added Services Framework Agreement disclosed in the section headed "Connected Transactions – Non-Exempt Continuing Connected Transactions (subject to reporting, annual review and announcement requirements)" in the Prospectus remain unchanged, except for the Revised Annual Cap for Community Value-added Services.

## Revision of annual cap for the provision of community value-added services

	For the year ending 31 December 2022 <i>RMB'000</i>		For the nine months ended 30 September 2022 <i>RMB'000</i>
	Existing annual cap	Revised annual cap	Historical amount
Fees received/to be received by the Group for community value-added services	13,851	20,000	10,041
Fees received/to be received by the Group for value-added services to property developers	29,463	29,463 <sup>(1)</sup>	123
<b>Total</b>	<b>43,314</b>	<b>49,463</b>	<b>10,164</b>

*Note:*

- (1) No amendment is made to the annual cap for value-added services to property developers for the year ending 31 December 2022.

The unaudited transaction amount of the procurement by the CRH Connected Persons under the Existing Value-added Services Framework Agreement for the nine months ended 30 September 2022 was RMB10,041,000, representing approximately 72.49% of the Existing Annual Cap for Community Value-added Services.

### **Basis for determining the Revised Annual Cap for Community Value-added Services**

The Revised Annual Cap for Community Value-added Services is RMB20,000,000. The basis for determining the Revised Annual Cap for Community Value-added Services is as follows:

- (i) the historical transaction amount for the nine months ended 30 September 2022, according to the management account of the Company; and

- (ii) the additional demand for the community value-added services by the CRH Connected Persons as a result of (a) the enhanced synergy between the Group and the CRH Connected Persons after years of cooperation; and (b) the estimated additional total GFA under management for residential properties and other non-commercial properties to be delivered by the CRH Connected Persons for the year ending 31 December 2022, on top of the originally envisaged total GFA under management for residential properties and other non-commercial properties of approximately 1.2 million sq. m. being delivered by the CRH Connected Persons. As of 30 September 2022, the Group and the CRH Connected Persons had entered into contracts for 47 projects of residential properties and other non-commercial properties with GFA of approximately 11.3 million which was delivered/is to be delivered in the second half of 2022.

### **III. SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

The key terms of the Supplemental Property Management Services Framework Agreement are set out below:

Parties	:	The Company and CRH
Date	:	25 October 2022
Nature of transaction	:	Provision of property management services
Subject Matter	:	The other terms and pricing basis of the Existing Property Management Services Framework Agreement disclosed in the section headed “Connected Transactions – Non-Exempt Continuing Connected Transactions (subject to reporting, annual review, announcement and independent Shareholders’ approval requirements)” in the Prospectus remain unchanged, except for the Revised Annual Caps for Property Management Services.

## Revision of annual caps for property management services

	For the year ending 31 December 2022 <i>RMB'000</i>		For the nine months ended 30 September 2022 <i>RMB'000</i>
	Existing annual cap	Revised annual cap	Historic amount
Property management fees received/to be received by the Group for commercial properties	498,685	230,980	146,780
Property management fees received/to be received by the Group for residential properties and other non-commercial properties	<u>66,951</u>	<u>202,455</u>	<u>52,042</u>
<b>Total</b>	<b><u>565,636</u></b>	<b><u>433,435</u></b>	<b><u>198,822</u></b>

Pursuant to the Existing Property Management Services Framework Agreement, the unaudited transaction amount paid to the Group by the CRH Connected Persons for the nine months ended 30 September 2022 was RMB198,822,000, which accounted for approximately 35.15% of the Existing Annual Caps for Property Management Services.

### Basis for determining the Revised Annual Caps for Property Management Services

The Revised Annual Cap for Residential and Other Non-Commercial Property Management Services and the Revised Annual Cap for Commercial Property Management Services is RMB202,455,000 and RMB230,980,000, respectively. The basis for determining the Revised Annual Caps for Property Management Services is as follows:

- (i) the historical transaction amount for the nine months ended 30 September 2022, according to the management account of the Company;

- (ii) the additional demand for the property management services for residential properties and other non-commercial properties by the CRH Connected Persons as a result of (a) the enhanced synergy between the Group and the CRH Connected Persons after years of cooperation; and (b) the estimated additional total GFA under management for residential properties and other non-commercial properties to be delivered by the CRH Connected Persons for the year ending 31 December 2022, on top of the originally envisaged total GFA under management for residential properties and other non-commercial properties of approximately 1.2 million sq. m. being delivered by the CRH Connected Persons. As of 30 September 2022, the Group and the CRH Connected Persons had entered into contracts for 47 projects of residential properties and other non-commercial properties with GFA of approximately 11.3 million which was delivered/is to be delivered in the second half of 2022; and
- (iii) the growth of demand for the property management services for commercial properties is lower than expected.

#### **IV. REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL VALUE-ADDED SERVICES FRAMEWORK AGREEMENT AND SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

In view of the increasing demand from the CRH Connected Persons for the Group's community value-added services, the Board expects that the Existing Annual Cap for Community Value-added Services will be insufficient to satisfy such demand.

In view of (1) the increasing demand from the CRH Connected Persons for the Group's property management services for residential and other non-commercial properties (including those for industrial parks), and (2) the lower than expected demand from the CRH Connected Persons for the Group's property management services for commercial properties, the Board expects that the Existing Annual Cap for Residential and Other Non-Commercial Property Management Services will not be sufficient to meet the demand and the Existing Annual Cap for Commercial Property Management Services will be higher than the actual provision amount.

Taking into account the reasons set out above, the Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions were entered into on normal commercial terms or better, and the terms of the Supplemental Value-added Services Framework Agreement and the Supplemental Property Management Services Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

None of the Directors has any material interest in the transactions under the Supplemental Value-added Services Framework Agreement and the Supplemental Property Management Services Framework Agreement and none of them is required to be abstained from voting on the relevant board resolutions.

## **V. INFORMATION ABOUT THE PARTIES**

### **CRH**

As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land and CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited. China Resources Company Limited is a company established in the 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 the PRC. It is a conglomerate which holds a variety of businesses in the PRC and Hong Kong including but not limited to consumer products, integrated energy, urban construction and operation, healthcare, industrial finance, technology and emerging sectors.

### **The Company**

The Company is a limited liability company incorporated in the Cayman Islands on 18 May 2017. The Group is mainly engaged in the provision of residential property management services and commercial operational and property management services in the PRC. As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land.

## **VI. IMPLICATIONS UNDER THE LISTING RULES**

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transactions.

As of the date of this announcement, the Company is held as to approximately 72.29% by CR Land and CR Land is indirectly held as to approximately 59.55% by CRH, which is in turn indirectly wholly owned by China Resources Company Limited. Therefore, each of Existing Value-added Services Framework Agreement, Supplemental Value-added Services Framework Agreement, Existing Property Management Services Framework Agreement and Supplemental Property Management Services Framework Agreement constitutes a continuing connected transaction of the Company.

As the applicable percentage ratios in respect of the revised annual caps for value-added services and property management services for the year ending 31 December 2022 are more than 0.1% but less than 5%, the revised annual caps for value-added services under the Supplemental Value-added Services Framework Agreement and the revised annual caps for property management services under the Supplemental Property Management Services Framework Agreement are subject to the reporting, annual review and announcement requirements, but are exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## VII. DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	China Resources Mixc Lifestyle Services Limited (華潤萬象生活有限公司), an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CR Land”	China Resources Land Limited (華潤置地有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1109)
“CRH”	China Resources (Holdings) Company Limited (華潤(集團)有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of China Resources Company Limited
“CRH Connected Persons”	CRH, its holding companies, their respective subsidiaries and their associates (excluding CR Land and its associates)
“Director(s)”	the director(s) of the Company

“Existing Property Management Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to provision of property management services commencing from 9 December 2020 until 31 December 2022
“Existing Value-added Services Framework Agreement”	the framework agreement entered into between the Company and CRH on 20 November 2020 in relation to provision of value-added services (community value-added services and valued-added services to property developers) commencing from 9 December 2020 until 31 December 2022
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong and Macau Special Administrative Region)
“Prospectus”	the prospectus of the Company dated 25 November 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Property Management Services Framework Agreement”	the agreement dated 25 October 2022 entered into between the Company and CRH in relation to the revision of the annual caps for the property management fees of the Group

“Supplemental Value-added Services Framework Agreement” the agreement dated 25 October 2022 entered into between the Company and CRH in relation to the revision of the annual caps for the fees charged by the Group in respect of the community value-added services

“%” per cent

By order of the board of directors of  
**China Resources Mixc  
Lifestyle Services Limited**  
**YU Linkang**  
*President*

The PRC, 25 October 2022

*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.*