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)

ANNOUNCEMENT OF 2024 INTERIM RESULTS

HIGHLIGHTS

For the six months ended 30 June 2024, the Group recorded revenue of Renminbi ("**RMB**") 7.957 billion, representing an increase of 17.1% as compared with the same period last year (the "**Prior Period**"). Among the Group's business segments, revenue from the commercial management business amounted to RMB2.850 billion, representing an increase of 23.4% as compared with the Prior Period, revenue from the property management business amounted to RMB5.102 billion, representing an increase of 13.8% as compared with the Prior Period, and revenue from the ecosystem business amounted to RMB5.733 million.

For the six months ended 30 June 2024, gross profit of the Group was RMB2.703 billion, representing an increase of 20.0% as compared with the Prior Period, and the gross profit margin increased from 33.2% in the Prior Period to 34.0% for the six months ended 30 June 2024.

For the six months ended 30 June 2024, profit attributable to shareholders of the Company was RMB1.908 billion, representing a year-on-year ("**YoY**") increase of 36.0%, and core net profit attributable to shareholders of the Company (non-HKFRS measure) amounted to RMB1.766 billion, representing a YoY increase of 24.2%.

As at 30 June 2024, the numbers of opened shopping malls and office buildings for which the Group provided commercial operational services were 105 and 25, respectively, the Group had 3 opened shopping mall subleasing projects, and the gross floor area ("**GFA**") under management of the Group's property management services was 398 million sq.m. (excluding shopping mall projects).

For the six months ended 30 June 2024, the earnings per share attributable to shareholders of the Company was RMB0.836, and the core net profit per share attributable to shareholders of the Company (non-HKFRS measure) was RMB0.774.

The Board has resolved to declare an interim dividend of RMB0.279 (equivalent to Hong Kong Dollar ("**HKD**") 0.305) per share and a special dividend of RMB0.575 (equivalent to HKD0.629) per share. Shareholders' attention is drawn to the section headed "Interim Dividend, Special Dividend, Record Dates and Currency Election" in this announcement in respect of currency election for the payment of the interim dividend and special dividend.

The board (the "**Board**") of directors (the "**Directors**") of China Resources Mixc Lifestyle Services Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024
(Expressed in Renminbi)

		Six months ended 30 June	
		2024	2023
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**7,956,924**	6,793,323
Cost of sales		**(5,254,251)**	(4,540,519)
Gross profit		**2,702,673**	2,252,804
Gain on changes in fair value of investment properties		**118,096**	21,460
Other income and gains	*5*	**354,197**	261,494
Marketing expenses		**(113,731)**	(108,809)
Administrative expenses		**(405,535)**	(436,545)
Other expenses		**(38,057)**	(19,269)
Finance costs		**(58,514)**	(59,728)
Share of profit of interest in an associate		**180**	144
Share of profit of interest in a joint venture		**1,831**	1,764
Profit before tax		**2,561,140**	1,913,315
Income tax expenses	*6*	**(639,119)**	(504,266)
Profit for the period		**1,922,021**	1,409,049
Attributable to:			
Equity shareholders of the Company		**1,907,936**	1,402,481
Non-controlling interests		**14,085**	6,568
Profit for the period		**1,922,021**	1,409,049
Earnings per share	*7*		
Basic and diluted for the period		**RMB83.6 cents**	RMB61.4 cents
Total comprehensive income for the period		**1,922,021**	1,409,049
Attributable to:			
Equity shareholders of the Company		**1,907,936**	1,402,481
Non-controlling interests		**14,085**	6,568
Total comprehensive income for the period		**1,922,021**	1,409,049

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024

(Expressed in Renminbi)

	Note	At 30 June 2024 *RMB'000* (Unaudited)	At 31 December 2023 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment		**596,735**	551,857
Investment properties		**4,221,000**	3,788,000
Intangible assets		**1,488,231**	1,573,593
Right-of-use assets		**101,019**	112,161
Goodwill		**1,900,340**	1,900,340
Interest in an associate		**779**	599
Interest in a joint venture		**5,534**	3,703
Deferred tax assets		**129,906**	117,122
Prepayments, other receivables and other assets	*9*	**3,651**	15,595
Time deposits		**3,112,478**	202,097
Total non-current assets		**11,559,673**	8,265,067
Current assets			
Inventories		**189,222**	202,745
Trade and bill receivables	*8*	**2,496,182**	1,995,595
Prepayments, other receivables and other assets	*9*	**1,437,416**	1,620,537
Financial assets measured at fair value through profit or loss		**1,505,318**	–
Time deposits		**3,170,670**	4,052,766
Restricted bank deposits		**296,833**	66,613
Cash and cash equivalents		**9,146,927**	11,580,159
Total current assets		**18,242,568**	19,518,415
Current liabilities			
Trade payables	*10*	**1,762,237**	1,546,118
Other payables and accruals	*11*	**4,967,279**	4,121,078
Contract liabilities		**2,006,598**	2,171,612
Lease liabilities		**136,087**	151,786
Financial liabilities at fair value through profit or loss		**257,000**	114,025
Current taxation		**340,147**	235,088
Total current liabilities		**9,469,348**	8,339,707
Net current assets		**8,773,220**	11,178,708
Total assets less current liabilities		**20,332,893**	19,443,775

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
at 30 June 2024
(Expressed in Renminbi)

	Note	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Non-current liabilities			
Lease liabilities		**2,234,326**	2,267,323
Financial liabilities measured at fair value through profit or loss		**195,944**	221,131
Other liabilities		**16,559**	13,238
Deferred tax liabilities		**1,016,220**	906,033
Total non-current liabilities		**3,463,049**	3,407,725
NET ASSETS		**16,869,844**	16,036,050
EQUITY			
Share capital	*12(a)*	**152**	152
Reserves		**16,758,137**	15,948,084
Equity attributable to equity shareholders of the Company		**16,758,289**	15,948,236
Non-controlling interests		**111,555**	87,814
TOTAL EQUITY		**16,869,844**	16,036,050

NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 18 May 2017. The registered office address of the Company is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

During the period, the Group was mainly engaged in commercial management business, property management business and ecosystem business in the Chinese Mainland.

The Company's shares became listed on the main board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 9 December 2020 (the "**Listing**").

In the opinion of the Directors, the immediate holding company of the Company is China Resources Land Limited ("**CR Land**"), a public limited company incorporated in the Cayman Islands and its shares are listed on the Stock Exchange. The ultimate holding company of the Company is China Resources Company Limited ("**CRCL**"), a company incorporated in the Chinese Mainland.

2 BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 27 August 2024.

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA to this interim financial information for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("**2020 amendments**")*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("**2022 amendments**")*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Segment reporting

Information reported to the executive directors of the Company, being the chief operating decision makers ("**CODM**") of the Group, was specifically focused on the segments of the commercial management business, property management business and ecosystem business. These divisions are the basis on which the Group reports its segment information under HKFRS 8 Operating Segments.

- Commercial management business: Commercial management services are provided to property owners or tenants of shopping malls and office buildings. For shopping malls, the Group provides property management and other services, commercial operational services and commercial subleasing services. For office buildings, the Group provides commercial operational services, property management and other services.
- Property management business: The Group provides property management services to community space properties and urban space properties. Such services mainly include (i) property management services; (ii) value-added services to non-property owners; and (iii) value-added services to property owners.
- Ecosystem business: The Group provides ample eco-services, including self-owned cosmetics, cultural operation and other services.

(i) ***Segment results***

Segment results represent the profit earned or loss incurred before taxation by each segment without allocation of income or expenses which are not recurring in nature or unrelated to the CODM's assessment of the Group's operating performance, e.g., other income and gains, share of profit of interest in a joint venture, share of profit of interest in an associate, unallocated finance costs, and unallocated expenses. Segment revenues and results are the measures reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the six months ended 30 June 2024	**Commercial management business** *RMB'000*	**Property management business** *RMB'000*	**Ecosystem business** *RMB'000*	**Total** *RMB'000*
Revenue				
Revenue from contracts with customers				
Recognised at a point in time	–	416,061	5,733	421,794
Recognised over time	2,597,546	4,667,842	–	7,265,388
	2,597,546	5,083,903	5,733	7,687,182
Revenue from other sources				
Rental income	252,003	17,739	–	269,742
Revenue from external customers	2,849,549	5,101,642	5,733	7,956,924
Reportable segment revenue	2,849,549	5,101,642	5,733	7,956,924
Segment results	1,794,274	1,028,396	2,287	2,824,957
Share of profit of interest in a joint venture				1,831
Share of profit of interest in an associate				180
Unallocated other income and gains				263,998
Unallocated expenses				(527,538)
Unallocated finance costs				(2,288)
Profit before tax				2,561,140

For the six months ended 30 June 2023	Commercial management business *RMB'000*	Property management business *RMB'000*	Total *RMB'000*
Revenue			
Revenue from contracts with customers			
Recognised at a point in time	–	369,644	369,644
Recognised over time	2,108,232	4,099,904	6,208,136
	2,108,232	4,469,548	6,577,780
Revenue from other sources			
Rental income	201,433	14,110	215,543
Revenue from external customers	2,309,665	4,483,658	6,793,323
Reportable segment revenue	2,309,665	4,483,658	6,793,323
Segment results	1,316,152	891,177	2,207,329
Share of profit of interest in a joint venture			1,764
Share of profit of interest in an associate			144
Unallocated other income and gains			256,834
Unallocated expenses			(549,405)
Unallocated finance costs			(3,351)
Profit before tax			1,913,315

(ii) Geographic information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Chinese Mainland and no non-current assets of the Group are located outside Chinese Mainland.

(b) Revenue

Revenue mainly comprises proceeds from commercial management business, property management business and ecosystem business. Disaggregation of revenue from contracts with customers by each significant category is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue from contracts with customers		
Commercial management business		
— Shopping malls	**1,637,831**	1,208,356
— Office buildings	**959,715**	899,876
	2,597,546	2,108,232
Property management business		
Community space	**4,259,431**	3,809,317
— Property management services	**3,217,379**	2,845,657
— Value-added services to non-property owners	**336,702**	401,874
— Value-added services to property owners	**515,028**	430,966
— Sales of goods and carparks	**190,322**	130,820
Urban space	**824,472**	660,231
	5,083,903	4,469,548
Ecosystem business	**5,733**	–
Total revenue from contracts with customers	**7,687,182**	6,577,780
Revenue from other sources		
Gross rental income		
— Variable lease payments that do not depend on an index or rate	**57,316**	55,923
— Other lease payments, including fixed payments	**212,426**	159,620
	269,742	215,543
	7,956,924	6,793,323

For the six months ended 30 June 2024, revenue from the ultimate holding company and the fellow subsidiaries (along with their respective joint ventures and associates) amounted to RMB2,429,823,000 (six months ended 30 June 2023: RMB1,925,234,000). Other than the revenue from the ultimate holding company and the fellow subsidiaries, no revenue derived from sales to a single customer or a Group of customers under common control accounted for 10% or more of the Group's revenue for six months ended 30 June 2024 and 2023.

5 OTHER INCOME AND GAINS

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest income	**232,121**	203,827
Government grants	**21,214**	37,409
Exchange (losses)/gains	**(1,079)**	4,909
Gain on changes in fair value of financial assets measured at fair value through profit or loss	**5,318**	–
Gain on changes in fair value of financial liabilities measured at fair value through profit or loss	**90,199**	4,660
Net gain on disposal of items of property, plant and equipment	**88**	1,280
Others	**6,336**	9,409
	354,197	261,494

6 INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current taxation	**540,590**	467,904
PRC Land Appreciation Tax ("**LAT**")	**1,126**	1,173
Deferred taxation	**97,403**	35,189
	639,119	504,266

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the entities within the Group incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax.

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the period (2023: Nil).

Subsidiaries of the Group operating in Chinese Mainland are generally subject to the People's Republic of China (the "**PRC**") Corporate Income Tax ("**CIT**") rate of 25% (2023: 25%) during the period, excluding certain subsidiaries of the Group in Chinese Mainland which are either located in Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, western cities or qualified as Small and Micro Profit Enterprises and were subject to a preferential income tax rate of 15% during the period.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%.

The provision for LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB1,907,936,000 (six months ended 30 June 2023: RMB1,402,481,000) and the weighted average of ordinary shares of 2,282,500,000 (six months ended 30 June 2023: 2,282,500,000) in issue during the six months ended 30 June 2024.

(b) Diluted earnings per share

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2024 and 2023.

8 TRADE AND BILL RECEIVABLES

	At 30 June 2024 ***RMB'000*** **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
Trade receivables		
— Related parties	**949,626**	878,178
— Third parties	**1,653,945**	1,195,366
	2,603,571	2,073,544
Bill receivables		
— Related parties	**1,107**	777
— Third parties	**2,586**	3,762
	3,693	4,539
Less: loss allowance	**(111,082)**	(82,488)
	2,496,182	1,995,595

Aging analysis

As of the end of the reporting period, the ageing analysis of trade and bill receivable, based on the invoice date, is as follows:

	At 30 June 2024 *RMB'000* (Unaudited)	At 31 December 2023 *RMB'000* (Audited)
Within 1 year	**2,343,130**	1,901,026
1 to 2 years	**190,508**	132,195
2 to 3 years	**55,689**	28,948
Over 3 years	**17,937**	15,914
	2,607,264	2,078,083
Less: loss allowance	**(111,082)**	(82,488)
Trade and bills receivable, net of loss allowance	**2,496,182**	1,995,595

9 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	At 30 June 2024 *RMB'000* (Unaudited)	At 31 December 2023 *RMB'000* (Audited)
Current		
Prepayments	**359,137**	299,674
Deposits	**83,247**	73,341
Other receivables	**464,796**	601,105
Prepayment to and other receivables from related parties	**560,463**	675,453
	1,467,643	1,649,573
Less: loss allowance	**(30,227)**	(29,036)
	1,437,416	1,620,537
Non-current		
Prepayments	**3,651**	15,595

Note: The other receivables were denominated in RMB, and the fair value of other receivables approximated to their carrying amounts. Other receivables with third parties are unsecured, interest-free and repayable on demand. Other receivables with related parties are interest-free.

10 TRADE PAYABLES

	At **30 June 2024** *RMB'000* **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
Trade payables		
— Related parties	**97,635**	83,808
— Third parties	**1,664,602**	1,462,310
	1,762,237	1,546,118

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	At **30 June 2024** *RMB'000* **(Unaudited)**	At 31 December 2023 *RMB'000* (Audited)
Within 1 year	**1,627,852**	1,443,103
1 to 2 years	**65,837**	60,564
2 to 3 years	**39,019**	22,136
Over 3 years	**29,529**	20,315
Total payables	**1,762,237**	1,546,118

11 OTHER PAYABLES AND ACCRUALS

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Other payables and accruals *(note (a))*		
— Related parties	**216,772**	311,027
— Third parties	**1,497,878**	1,424,691
	1,714,650	1,735,718
Dividend payable		
— Related parties	**809,363**	–
— Third parties	**288,520**	–
	1,097,883	–
Financial liabilities measured at amortised cost	**2,812,533**	1,735,718
Salaries and bonus payables	**1,096,998**	1,369,988
Deposits	**920,727**	863,378
Tax payables other than current income tax liabilities	**137,021**	151,994
	4,967,279	4,121,078

Notes:

(a) Other payables and accruals with third parties are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at the end of each of the reporting period approximated to their corresponding carrying amounts.

12 CAPITAL AND DIVIDENDS

(a) Share capital

	At 30 June 2024 RMB'000 (Unaudited)	At 31 December 2023 RMB'000 (Audited)
Authorised:		
5,000,000,000 (2023: 5,000,000,000) ordinary shares of US$0.00001 each	**338**	338
Issued and fully paid:		
2,282,500,000 (2023: 2,282,500,000) ordinary shares of US$0.00001 each	**152**	152

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the interim period

	2024 RMB'000 (Unaudited)	2023 RMB'000 (Audited)
Interim dividend declared after the interim period of RMB27.9 cents per ordinary share, equivalent to HK30.5 cents (2023: RMB22.3 cents per ordinary share, equivalent to HK24.3 cents)	**636,818**	508,963

The interim dividend has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Final dividend in respect of the previous financial year, approved during the interim period, of RMB48.1 cents per ordinary share, equivalent to HK52.9 cents (six months ended 30 June 2023: RMB31.2 cents per ordinary share, equivalent to HK35.7 cents)	**1,097,883**	751,279

(iii) On 27 August 2024, the Board declared a special dividend of RMB0.575 (equivalent to HK$0.629) per ordinary share amounting to RMB1,312,438,000 (equivalent to HK$1,435,693,000).

CHAIRMAN'S STATEMENT

I am pleased to present to shareholders the business review and outlook of the Group for the six months ended 30 June 2024.

During the first half of the year, despite multiple pressures under the complex and challenging international situation as well as the deepening of domestic structural adjustment, China's economy has been developing in a steady manner with improved quality and efficiency. The Chinese government attaches great importance to expanding domestic demand and enhancing market confidence. The effective promotion of consumption policies and the improvement of long-term mechanisms simultaneously have expanded the scale of consumption while updating the consumption scenarios, with consumption playing a vital role. Meanwhile, the differentiation of consumer demand has intensified, while product consumption, especially high-end consumption, has slowed down under pressures. The growth trend of service consumption has been steady, and consumers are paying more attention to the value of consumption. In light of the successful listing of the first batch of consumer infrastructure public Real Estate Investment Trusts (REITs), the revitalisation of existing assets was accelerated, and thus shopping malls ushered in the competitive advantages of refined and professional operation. The property management industry continues to develop with high quality, and the policy strengthens the standardisation of industry and brings long-term benefits. Besides, the leading property management enterprises continue to build a positive cycle of scale, efficiency and service quality and constantly explore the strategic layout of the industrial chain to extend professional subdivisions, thereby seeking greater growth space.

Since the listing of the Company, notwithstanding the significant increase in the uncertainty of the external operating environment, the Group has always adhered to strategic guidance, maintained strategic focus, and adapted to the uncertainty arising from changes in the situation with the certainty of its own works. In the first half of the year, the Group resolutely implemented the results of the interim review of the "14th Five-Year Plan". By solidly and deeply promoting various strategic initiatives, the Group successfully implemented the business strategy of refined business segmentation and lean operation, continuously enhanced its development resilience, and improved the quality and efficiency of its operations, thereby forging its core capabilities.

Adhering to quality development and scale growth to take the lead. The Group's commercial management business has maintained its strategic focus on core cities and presence, and continued to expand its business footprint. During the period, 7 new shopping malls were opened, ranking first in the industry in both performance and quality, which increased the number of shopping malls under the Group's management to 108. The Group newly signed 7 commercial light asset expansion projects, all of which are in first and second-tier cities, maintaining its leading position in terms of quantity and quality. The Group has adopted the profit-sharing model in Future Plaza in

Xi'an Hi-Tech Industrial Development Zone and Anhui Hefei CR Land Center projects to further enhance the value transformation from its capacity to integrate commercial management services. The Group's property management business has remained in the first echelon in the industry with steady progress in market expansion, and is accelerating its development into an urban space operation service provider. During the period, our property management business's contracted GFA increased by 24.33 million sq.m., with 398 million sq.m. GFA under management and 446 million sq.m. contracted GFA as of 30 June 2024, covering 164 cities across China. The Group newly expanded 57 urban public space projects, developing high-quality model projects such as Wuhan Dongfeng Research and Development Centre and China Medical University Model Project in Shenyang, sustaining the enhancement of its brand influence. Leveraging on its strengths in operation and integrated service developing high-quality model, the Group newly signed contracts for projects such as Hongqiao Park in Shenzhen and Longgang Civic Centre in Wenzhou, which further strengthened the Group's competitive edge in the field of urban operation and services. Our membership program has been promoted steadily with an increasing size of members and points. As of 30 June 2024, the total number of "MIXC Star" (萬象星) members reached 52.20 million, representing a 12.9% increase as compared to the end of 2023, and the amount of "MIXC Star" (萬象星) points issued and exchanged totaled RMB840.0 million, representing a YoY increase of 20.0%. The Group has developed cooperation in high-frequency scenarios such as various kinds of travelling and community services, which expanded the use of points to further cover the diversified consumption needs of its members.

Deepening revenue generation and efficiency improvement to enhance operational quality. The Group has adopted an overall operating strategy of "high quality, high efficiency, high standards and fast growth". In the first half of the year, our shopping mall business in the commercial management business segment implemented a tiered and categorised approach to execute the strategy of "capturing resources, attracting customers, adopting favourable policies, controlling expenses, and achieving performance goals". The shopping malls under the management of the Group realised retail sales of RMB100.71 billion, representing a YoY increase of 19.7%. Rental income from the property owners side reached RMB12.57 billion, representing a YoY increase of 19.7%, with operating profit margin from the property owners side increasing by 0.6 percentage point YoY to 67.8%. The property management business segment comprehensively focused on building better communities, systematically enhancing basic service capabilities, with customer satisfaction increasing by 5.34 points to 93.66 points compared to that of 2023. Revenue from value-added services increased by 24.9% YoY, with its revenue share increasing by 1.4 percentage points YoY to 15.3%. The engineering service company was successfully established, clarifying business scopes and initially forming the product operating model. The group-wide emphasis on cash flow and expense management resulted in a YoY decrease of 1.5 percentage points in selling and administrative expense ratio to 6.5%, whereas a YoY increase of 4.9 percentage points in operating cash flow ratio to 19.9% and a YoY increase of 17.9 percentage points in the operating cash flow coverage multiple of core net profit (non-HKFRS measure) to 89.6%.

Persisting in technology empowerment to enhance business efficiency. The Group firmly implemented digital transformation and promoted technology empowerment of "production technologisation, operation digitalisation, space intelligentisation and data capitalisation" in an orderly manner. In terms of "production technologisation and operation digitalisation", the commercial management business segment significantly improved the work efficiency of frontliner through the store management system and automated commercial business and finance operations, while providing merchants with comprehensive online services and intelligent business operation reports based on user profiles, thereby assisting in enhancing the merchants' operational performance. The property management business segment focused on the implementation of the parking platform, and concentrated on improving the online operations of frontliner such as security guards, cleaners, landscaping workers, repair technicians and customer service representatives, with pilot projects for unmanned posts achieving a 40% increase in work efficiency. Regarding "space intelligentisation", the commercial management business segment utilised AI technology to optimise mall customer flow management, consumer point systems, and parking experiences. The property management business segment, leveraging the "ZhaoXi" (朝昔) platform, expanded its multi-business project management capabilities and improved the quality and efficiency of service delivery. As for "data capitalisation", the commercial management business segment drove the number of daily active users of the E-MIXC (一點萬象) platform to 1.23 million by integrating brand content and coupon resources, achieving a 44% YoY growth. Meanwhile, the property management business segment continuously refined the functions of its independently-developed e-commerce platform to deeply explore customer value.

Implementing organisational reforms to promote business development. The Group proactively responded to industry conditions, intensified efforts to implement organisational reforms, and endeavored to boost the quality of its teams. In the first half of 2024, based on the principles of "headquarters platformisation, segment physicality, and sub-segment professionalisation", the Group restructured and clarified the organisational structure, functional positioning, and authorities and responsibilities of headquarters, segments and regions, which streamlined the management and organisational structure of headquarters and segments. Besides, the Group established a segment operation management system, completed organisational adjustment and personnel allocation within segments, and strengthened the professional capabilities of sub-segments. The Group also vigorously advanced talent recruitment and talent upgrading, with a focus on the cultivation of talents for key positions. We optimised the talent structure through internal selections and external recruitments, with an aim to enhance the professional capabilities of our teams and support our rapid business development. In addition, the Group reshaped the remuneration system for frontliner to enhance the sense of gain and satisfaction among grassroots employees. By optimising the incentive mechanisms for market expansion and tenant sourcing team, the Group strengthened the connection between incentives and individual contributions, and established a performance-oriented incentive system that further reinforces a goal-oriented and results-oriented corporate culture.

Creating a beautiful future on the path of pursuing sustainable development. By incorporating Environmental, Social and Governance ("**ESG**") strategies into the business development strategy of the Company and under the guidance of ESG strategies, the Company continued to transform and create value. The first batch of 13 projects has passed the WELL HSR (Health Safety Rating). With issues with priority that focus on the four major areas of low-carbon environmental protection, rural revitalisation, community care and public responsibility, the Company launched projects of public welfares for education as well as agricultural and rural revitalisation for two consecutive years. By establishing the standardised management platform of carbon emissions data and enhancing green and low-carbon influence, the Company was recognised by Southern Weekly (南方周末) as the 2024 Low-Carbon Pioneer, and has been selected into the "China ESG Listed Companies Pioneer 100" (中國ESG上市公司先鋒100) for two consecutive years, with the ranking up by 12 positions as compared to last year. By comprehensively enhancing information disclosure, the Sustainability Report of the Company was rated "five-star" for two consecutive years.

The Group outperformed the market in the first half of the year. Our consolidated revenue amounted to RMB7.957 billion, representing a YoY increase of 17.1%, and core net profit (non-HKFRS measure) amounted to RMB1,766 billion, representing a YoY increase of 24.2%. The core net profit per share attributable to shareholders of the Company (non-HKFRS measure) was RMB0.774. Each core performance indicator represents a steady growth. The Board resolved to declare an interim dividend of RMB0.279 per share (equivalent to HKD0.305 per share), representing a YoY increase of 25.1% and the dividend payout rate was stable at 36.0%. In addition, the Company resolved to declare a special dividend of RMB0.575 per share (equivalent to HKD0.629 per share), which significantly boosted shareholders' returns.

Looking forward to the second half of the year, China's economy is still faced with a complicated situation of rising uncertainty in the international environment and deepening domestic structural transformation and upgrading, and the industry is faced with various challenges such as intensified market competition and the need to further improve consumer spending power and willingness. However, the Group believes that under the government's package of precise and effective policy regulation and market incentives, the national economy will continue to maintain a healthy development trend, and the endogenous driving force of the domestic consumer market will continue to increase. In the second half of the year, the Group will continue to uphold the concept of "development and innovation", and do our utmost to achieve steady results growth and enhance shareholders' value under the guidance of realising "high quality, high efficiency, high standards and fast growth". In terms of operation, our commercial management business segment continues to consolidate its competitive advantage in the market. For shopping malls, the Group will deepen the professional management of the segment, and strengthen the integration of core resources and quality improvement. For office building business, the Group will focus on the integrated management mode of "lease + operation + property management" to build characteristic ability. For ecosystem business, the Group will continue to promote the healthy development of its own cosmetics business, cultural operation and cinema business. In property management business segment, the Group has always regarded the improvement of the quality of property management services as the cornerstone of its business development, and has continuously improved the quality of property management services and enhanced customer trust and satisfaction by focusing on the construction of a "beautiful community". The Group will continue to deepen the transformation of the urban space business, and promote the in-depth development of the urban space business through the implementation of standardised services and the development of model projects in all forms of business. Our value-added service business focuses on the integration of national resources and key projects. While deepening the existing business, it will focus on the four core sectors of "pre-delivery, housing repair, decoration and business & government engineering" to develop into the field of engineering services. In the area of the membership business, the Group will continue to expand areas of cooperation, enhance the value of points and the content of benefits, and enrich the digital interactions with customers, so as to accumulate more dimensional consumer data insights. Focusing on the three core assets of "points, benefits and data", the Group will explore more value creation models and profit potential. In terms of scale development, the Group will continue to focus on high-quality growth. In commercial management business segment, the Group will pay attention to the development of existing projects, and continuously look for high-quality projects in key cities. In property management business segment, the Group will adhere to market-oriented expansion and the merger and acquisition opportunities in the segment, give full play to the advantages of urban space operation service integration, and accelerate the transformation into an urban space operation service provider. In terms of capacity building, the Group will continue to accelerate its digital transformation and carry out special actions to improve the organisational capacity of the entire value chain to support the further improvement of the quality and efficiency of business management.

In the medium to long term, under the significant deployment of further comprehensively deepening reform and advancing Chinese modernisation, the fundamental of long-term upward trend of Chinese economy will be more solid and consolidated. The people's pursuit to quality life is the basic logic and unremitting impetus for the long-term high-quality development of the industry. With strategic foresight and under the strategic guidance of "developing a world-class enterprise" and "becoming China's most influential asset-light management company", the Group continuously achieved leading positions in two main sectors, i.e., the commercial management and the property management, and accelerated the realisation of the value generated from membership business by firmly implementing two supporting systems, i.e., "scale growth with high-quality" and "operation with high quality and high efficiency", and continuing to improve three development engines, i.e., "organisational reform and incentives", "scientific and technological empowerment" and "strategic merger and acquisition". Looking ahead, despite of various difficulties and challenges, the Group believes that, under the guidance of right strategies, our existing differentiate business model, advantage of scale, competitiveness of service and operation, consumers' recognition of the Company's brand will enable us to get through the economic cycle, keep stable increase with high quality and achieve continuous increase in shareholders' value.

Last but not least, on behalf of the Board, I would like to extend my heartfelt gratitude to the shareholders, customers and the public who have been paying attention to and supporting the development of the Group. The Group will continue to innovate and improve at a steady pace to create greater value for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's business is divided into two main businesses: (i) commercial management business; and (ii) property management business and ecosystem business.

Commercial management business: commercial properties under our management include shopping malls and office buildings.

For shopping malls, the Group provides:

— Commercial operational services, including pre-opening management and operation management services;

— Property management and other services, principally including security, cleaning and greening, repair and maintenance, as well as other value-added services; commercial operational and property management services adopt management outsourcing mode; and

— Commercial subleasing services, where the Group leases certain quality shopping malls from their owners and sublease to tenants such as retail stores and supermarkets. Commercial subleasing services include profit-sharing and leasing operation mode.

For office buildings, the Group provides:

— Commercial operational services, including tenant sourcing, asset management and operational services, and grand-opening preparation services; and property management and other services, principally including security, cleaning and greening, repair and maintenance, as well as other value-added services.

Property management business: the Group introduces various services that meet the needs of families and residents living in residential communities, and provides operation and management services for city utilities and other urban space properties, including neighborhoods, stadiums, parks, rivers and industrial parks.

For community space property management services, the Group provides:

— Property management services, including security, cleaning and greening, as well as repair and maintenance services to (i) property developers for properties prior to their delivery, and (ii) property owners, property owners' associations or residents for properties sold and delivered;

— Value-added services to non-property owners regarding property developers, including consultancy, preliminary preparation, and pre-delivery marketing services; and

— Value-added services to community property owners, including community life-style services, and brokerage and asset management services.

For urban space property management services, the Group provides:

— Property management services, including security, cleaning and greening, as well as repair and maintenance services; and value-added services, including consultancy, tenant sourcing and operation, venue leasing and event support.

Ecosystem business: based on basic services and operation services provided by main business segments and leveraging accumulated customer flow and resource, the Group expands the eco-chain of up- and down-stream and further provides ample eco-services, including self-owned cosmetics, cultural operation and other businesses.

The table below sets forth a breakdown of revenue by business segment and type of services as of the dates indicated:

	As of 30 June			
	2024	**Percentage**	2023	Percentage
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*
Commercial management business				
Shopping malls	**1,889,834**	**23.7**	1,409,789	20.8
Office buildings	**959,715**	**12.1**	899,876	13.2
Subtotal	**2,849,549**	**35.8**	2,309,665	34.0
Property management business				
Community space	**4,277,170**	**53.7**	3,823,427	56.3
— Property management services	**3,217,379**	**40.4**	2,845,657	41.9
— Value-added services to non-property owners	**336,702**	**4.2**	401,874	5.9
— Value-added services to property owners	**723,089**	**9.1**	575,896	8.5
Urban space	**824,472**	**10.4**	660,231	9.7
Subtotal	**5,101,642**	**64.1**	4,483,658	66.0
Ecosystem business	**5,733**	**0.1**	–	–
Total	**7,956,924**	**100.0**	6,793,323	100.0

Commercial Management Business

Shopping Malls

For the six months ended 30 June 2024, the Group's revenue from the commercial operational and management services to shopping malls amounted to RMB1,889.8 million, representing an increase of 34.1% as compared with the Prior Period and accounting for 23.7% of the total revenue. As of 30 June 2024, the Group provided commercial operational services for 105 opened shopping mall projects with an aggregate GFA of 11.5 million sq.m., among which, the vast majority of shopping malls were provided property management services by the Group at the same time. In addition, the Group had one opened profit-sharing project and two opened leasing operation projects, with an aggregate GFA of 0.4 million sq.m. as of 30 June 2024.

There was 81.8% segment revenue from the provision of commercial operational and property management services for shopping malls, with the remaining revenue derived from the commercial subleasing services.

The table below sets forth details of the contracted GFA of shopping mall projects and the GFA of projects opened as of the dates indicated:

	As of 30 June	
	2024	2023
Management outsourcing projects		
Contracted GFA (sq.m. in thousands)[1]	**18,030**	15,830
Number of projects for contracted GFA[1]	**163**	146
GFA of projects opened (sq.m. in thousands)	**11,474**	9,143
Number of projects opened	**105**	85
Profit-sharing projects		
Contracted GFA (sq.m. in thousands)	**327**	107
Number of projects for contracted GFA	**4**	1
GFA of projects opened (sq.m. in thousands)	**107**	107
Number of projects opened	**1**	1
Leasing operation projects		
Contracted GFA (sq.m. in thousands)	**340**	340
Number of projects for contracted GFA	**3**	3
GFA of projects opened (sq.m. in thousands)	**274**	274
Number of projects opened	**2**	2

Note 1: The contracted GFA and number of projects for contracted GFA as at 30 June 2024 excluded those attributable to reserved shopping malls acquired by CR Land but not contracted. The contracted GFA and number of projects for contracted GFA including reserved shopping malls acquired by CR Land but not contracted are 21,306 thousand sq.m. in thousands and 186 as at 30 June 2024 respectively.

The table below sets forth, by type of property developer, a breakdown of the number of opened shopping malls for which commercial operational and property management services were provided and their aggregate GFA as of the dates indicated, and a breakdown of revenue generated from commercial operational and property management services for the periods indicated:

	As of 30 June					
	2024			2023		
	GFA under management *(sq.m. in thousands)*	**Number of projects**	**Revenue** *(RMB'000)*	GFA under management *(sq.m. in thousands)*	Number of projects	Revenue *(RMB'000)*
CR Land	**9,711**	**82**	**1,370,202**	7,846	68	1,057,774
CR Group[2] and third-party developers	**1,763**	**23**	**176,511**	1,297	17	92,217
Total	**11,474**	**105**	**1,546,713**	9,143	85	1,149,991

Note 2: China Resources (Holdings) Company Limited ("**CRH**"), its holding companies, and their respective subsidiaries ("**CR Group**").

Office Buildings

For the six months ended 30 June 2024, the Group's revenue from the commercial operational and property management services to office buildings was RMB959.7 million, representing an increase of 6.6% as compared with the Prior Period, and accounted for 12.1% of the total revenue. As of 30 June 2024, the Group provided commercial operational services for 25 office buildings with an aggregate GFA of 1.7 million sq.m., and property management services for 206 office buildings with an aggregate GFA of 15.2 million sq.m.

94.4% of the segment revenue was generated from the provision of property management services to office buildings, with the remaining revenue from the provision of commercial operational services to office buildings.

The table below sets forth details of our contracted GFA and GFA under management of office buildings as of the dates indicated:

	As of 30 June	
	2024	2023
Commercial operational services		
Contracted GFA (sq.m. in thousands)	**2,159**	2,025
Number of projects for contracted GFA	**31**	31
GFA of the commercial operational services (sq.m. in thousands)	**1,741**	1,694
Number of projects for commercial operational services	**25**	26
Property management services		
Contracted GFA (sq.m. in thousands)	**19,390**	17,552
Number of projects for contracted GFA	**224**	193
GFA of the property management services (sq.m. in thousands)	**15,231**	12,947
Number of projects for property management services	**206**	179

* The related comparative figures have been adjusted and restated based on caliber adopted for 2023

The table below sets forth a breakdown of the number of office buildings under management and the aggregate GFA under management as of the dates indicated, and revenue generated from commercial operational services and property management services to office buildings for the periods indicated, by type of property developers:

	As of 30 June					
	2024			2023		
	GFA under management *(sq.m. in thousands)*	**Number of projects**	**Revenue** *(RMB'000)*	GFA under management *(sq.m. in thousands)*	Number of projects	Revenue *(RMB'000)*
Commercial operational services						
CR Land	**1,346**	**20**	**40,577**	1,255	20	48,835
CR Group and third-party developers	**395**	**5**	**13,440**	439	6	19,802
Total	**1,741**	**25**	**54,017**	1,694	26	68,637
Property management services						
CR Land	**9,936**	**98**	**675,796**	8,336	86	618,917
CR Group and third-party developers	**5,295**	**108**	**229,902**	4,610	93	212,322
Total	**15,231**	**206**	**905,698**	12,947	179	831,239

* The related comparative figures have been adjusted and restated based on caliber adopted for 2023

Property Management Business

Community Space

Property Management Services

For the six months ended 30 June 2024, the Group's revenue from property management services of community space amounted to RMB3,217.4 million, representing an increase of 13.1% as compared with the Prior Period and accounting for 40.4% of the total revenue. The quality expansion of the scale of property under management has led to a steady growth in revenue from property services. As of 30 June 2024, there were 1,335 community space projects under management, representing an increase of 177 as compared with the Prior Period; and the aggregate GFA under management was 259.5 million sq.m., representing an increase of 31.4 million sq.m. as compared with the Prior Period.

The table below sets forth details of our contracted GFA and GFA under management of community space properties as of the dates indicated:

	As of 30 June	
	2024	2023
Contracted GFA (sq.m. in thousands)	**302,265**	290,152
Number of projects for contracted GFA	**1,500**	1,315
GFA under management (sq.m. in thousands)	**259,505**	228,140
Number of projects for GFA under management	**1,335**	1,158

* Relevant comparative figures have been adjusted and restated in accordance with the standards adopted in 2023

The table below sets forth a breakdown of the number of community space properties under management, the aggregate GFA under management as of the dates indicated, and revenue generated from property management services by type of property developer for the periods indicated:

	As of 30 June					
	2024			2023		
	GFA under management *(sq.m. in thousands)*	**Number of projects**	**Revenue** *(RMB'000)*	GFA under Management *(sq.m. in thousands)*	Number of projects	Revenue *(RMB'000)*
CR Land	**139,614**	**639**	**2,038,574**	122,515	539	1,781,273
CR Group and third-party developers	**119,891**	**696**	**1,178,805**	105,625	619	1,064,385
Total	**259,505**	**1,335**	**3,217,379**	228,140	1,158	2,845,658

* Relevant comparative figures have been adjusted and restated in accordance with the standards adopted in 2023

Value-added Services to Non-Property Owners

For the six months ended 30 June 2024, the Group recorded revenue generated from value-added services to non-property owners provided by developers of RMB336.7 million, accounting for 4.2% of our total revenue, which decreased by 16.2% as compared with the Prior Period. Such decrease was mainly affected by the slowed acquisition of new projects and delivery progress of the existing projects by developers, leading to a decrease in the revenue of pre-delivery businesses such as preparation, marketing services and preliminary consultancy services.

Value-added Services to Property Owners

For the six months ended 30 June 2024, the Group recorded revenue generated from value-added services to property owners for community space of RMB723.1 million, accounting for 9.1% of our total revenue, which increased by 25.6% as compared with the Prior Period. Such increase was attributable to the fast growth of businesses such as housekeeping services and "Choice of CR MIXC" (潤物直選) provided to community residents as the Group integrated resources to meet various demands of customers under the service philosophy of "Beautiful CR Mixc Life" (美潤生活).

Urban Space

For the six months ended 30 June 2024, the Group's revenue from property management services for urban space amounted to RMB824.5 million, representing an increase of 24.9% as compared with the Prior Period, and accounting for 10.4% of our total revenue. The rapid increase in revenue was mainly attributable to the significant increase in GFA under management of urban space driven by the active marketisation and expansion. As of 30 June 2024, there were 444 managed urban space properties, increasing by 28 properties as compared with the Prior Period; and the aggregate GFA under management was 123.3 million sq.m., representing an increase of 34.6 million sq.m. as compared with the Prior Period.

92.6% of the segment revenue was generated from the provision of property management services to urban space, with the remaining revenue derived from the provision of value-added services.

The table below sets forth details of our contracted GFA and GFA under management of urban space properties as of the dates indicated:

	As of 30 June	
	2024	2023
Contracted GFA (sq.m. in thousands)	**124,572**	94,070
Number of projects for contracted GFA	**460**	429
GFA under management (sq.m. in thousands)	**123,280**	88,634
Number of projects for GFA under management	**444**	416

* Relevant comparative figures have been adjusted and restated in accordance with the standards adopted in 2023

The table below sets forth a breakdown of the number of urban space properties under management, the aggregate GFA under management as of the dates indicated, and revenue generated from property management services for the periods indicated, by type of property developer:

	As of 30 June					
	2024			2023		
	GFA under management *(sq.m. in thousands)*	**Number of projects**	**Revenue** *(RMB'000)*	GFA under management *(sq.m. in thousands)*	Number of projects	Revenue *(RMB'000)*
CR Land	**2,252**	**21**	**23,362**	2,610	22	18,047
CR Group and third-party developers	**121,028**	**423**	**739,814**	86,024	394	585,916
Total	**123,280**	**444**	**763,176**	88,634	416	603,963

* The relevant comparative figures have been adjusted and restated in accordance with the standards adopted in 2023

Ecosystem Business

For the six months ended 30 June 2024, the Group's revenue from ecosystem business amounted to RMB5.7 million, mainly contributed by the revenue from self-operated cosmetics business and cultural operation business.

OUTLOOK

Adhering to High-Quality Scale Development and Consolidating the Company's Leading Market Position

The Group will implement the strategy to lead the segmentation and scale expansion, and achieve high-quality and large-scale development of the two main segments of property management business and commercial management business. Among them, the property management business takes residential, urban blocks, industrial parks, parks, rivers, venues, etc. as subdivided segments, the commercial management business focuses on the three major shopping center product lines of MIXC, MIXC World and MIXC ONE, while the office building business creates an integrated management model of "leasing + operation + property management". We will adhere to the strategy of increasing penetration in existing cities, with a focus on the use of the network and brand advantages accumulated in existing cities. We will also implement the strategy of refined classification and expansion, and further enhance market competitiveness according to different customer types and models in the subdivided segments. Adhering to the strategic mergers and acquisitions, we will actively pay attention to high-quality property management companies, professional service providers with synergies with the Group's business, as well as mergers and acquisitions and strategic investment opportunities of outstanding enterprises in the upstream and downstream industry chains, so as to accelerate the realisation of scale expansion, capacity reinforcement and ecological enrichment.

Adhering to High-Quality and Efficient Operation with Focus on Customers, and Continuously Improving Professional Operation and Management

The Group has always been adhering to high-quality services. Relying on years of professional experience in the field of commercial retail and services, the Group will conform to the trend of technological iteration and digital transformation. By continuously improving its professional operation and service system, the Group will achieve high-quality development and continuous improvement of customer experience. Meanwhile, consumption needs of our customers are becoming more segmented and diversified. Therefore, we will actively carry out customer demand insight, and realise the refined operation of the whole value chain for each segment through customer segmentation, product segmentation and service segmentation, so as to provide customers with more accurate and differentiated services. In addition, we will focus on the business logic of "space, customers, products and services", and also strive to build an integrated ecosystem of all formats, all customers, all products and all services, with dedication to provide urban ecological services and create better life for people.

Developing an Integrated Membership Program with Cross-Business Function

The Group intends to continuously enhance the functionality of our membership programs to capture members' interest in our products and services offered under the membership programs and enhance their loyalty, further attract new users to our ecosystem and build digital connection with customers. We will continue to consolidate our membership programs, which allow us to fully understand the needs of users, enrich the options for the interests of the members and strengthen the identity value perception of the members, while improving customers' cross platform experience and realising cross-segment customer diversion. We will also continue to promote the membership programs to attract third-party merchants and further develop our platform and ecosystem through creating value and growth opportunities. We will actively leverage on the Company's membership programs to promote our corporate brand and enhance our brand image and customer loyalty.

Actively Promoting Technology Empowerment to Enhance Service Upgrade and Organisational Improvement

The Group plans to promote digitisation initiatives of "production technologisation, operation digitalisation, space intelligentisation and data capitalisation" to enhance operational efficiency and users' experience by technology empowerment. In terms of commercial management business segment, on the basis of iterative upgrading of "E-MIXC" (一點萬象) and "Officeasy", we promotes the full landing of store management system to realise the coherence of business resources through system integration. Our property management business segment focuses on building technological management capabilities for urban space, initiating the construction of an intelligent operation platform for property management, and promoting the practical implementation of IoT technologies, AI models and other scenarios. In addition, we will continue to promote data capitalisation to achieve high-quality accumulation of transaction data, customer behavior data and business data, and further enhance the long-term empowerment of customers, tenants, property management and commercial operation through data analysis and application.

Continuing to Stimulate Organisational Vitality in Adhering to a People-oriented Approach

The Group firmly believes that "talents are the primary resources". By carrying out organisational reforms and strengthening self-driven mechanisms, the Group continues to pool, train and forge talents. The Group insists on attracting talents with market-oriented remuneration packages and excellent corporate culture and reputation, and organises regular training provided by senior employees and external consultants. The Group will also continue to refine its remuneration scheme and formulate employee incentive mechanism to better align their benefits with our interest. In addition, the Group continues to enhance the sense of pride, mission and professionalism of its employees through the promotion of corporate culture.

Practicing Sustainable Development while Committing to Our Mission and Vision

The Group will continue to uphold the concept of green, low carbon and sustainable development, and will unswervingly incorporate ESG concepts throughout the entire process of our business. Focusing on the five major areas of MIXC-ecology, people orientation, partnership, green development, and honest operation, we are committed to creating long-term value for the stakeholders and urban development. At the same time, in response to the "dual-carbon" (雙碳) strategy of the country, the Group has set and worked towards our goal under the initiative of "carbon peak by 2030 and carbon neutrality by 2050" (2030年碳達峰、2050年碳中和), actively fulfilling our social responsibilities and delivering on our sustainability commitments.

FINANCIAL REVIEW

REVENUE

The Group's revenue is mainly generated from two main business segments: (i) commercial management business; and (ii) property management business and ecosystem business.

For the six months ended 30 June 2024, the Group's revenue amounted to RMB7,956.9 million, representing an increase of 17.1% as compared with the Prior Period. Such increase was primarily due to the continuous increase in management scale. The revenue from commercial operation management services and property management services grew steadily.

COST OF SALES

The Group's cost of sales mainly comprises (i) staff costs; (ii) subcontracting costs; (iii) utilities costs; (iv) common area facility costs; (v) office and related expenses; and (vi) depreciation and amortisation, which is mainly the amortisation of customer relationships brought about by historical mergers and acquisitions.

For the six months ended 30 June 2024, the Group's cost of sales amounted to RMB5,254.3 million, representing an increase of 15.7% as compared with the Prior Period. Such increase was primarily due to the increase in various types of corresponding costs resulting from the continuous growth of business scale.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the six months ended 30 June 2024, the Group's gross profit amounted to RMB2,702.7 million, representing an increase of 20.0% as compared with the Prior Period, and the gross profit margin was 34.0%, representing an increase of 0.8 percentage point as compared with the Prior Period.

The table below sets forth details of the gross profit and gross profit margin by segment as of the dates indicated:

	As at 30 June			
	2024		2023	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*
Commercial management business				
Shopping malls	**1,370,205**	**72.5**	1,011,833	71.8
Office buildings	**366,064**	**38.1**	339,237	37.7
Subtotal	**1,736,269**	**60.9**	1,351,070	58.5
Property management business				
Community space	**839,248**	**19.6**	808,164	21.1
— Property management services	**488,393**	**15.2**	462,000	16.2
— Value-added services to non-property owners	**127,240**	**37.8**	157,508	39.2
— Value-added services to property owners	**223,615**	**30.9**	188,656	32.8
Urban space	**124,869**	**15.1**	93,570	14.2
Subtotal	**964,117**	**18.9**	901,734	20.1
Ecosystem business	**2,287**	**39.9**	–	–
Total	**2,702,673**	**34.0**	2,252,804	33.2

For the six months ended 30 June 2024, the gross profit margin for the commercial management business was 60.9%, representing an increase of 2.4 percentage points as compared with the Prior Period. The increase was mainly due to the expansion of the scale of commercial operation services. Enhanced operational leverage, revenue growth and cost optimisation, collectively contributed to the further improvement of the gross profit margin.

For the six months ended 30 June 2024, the gross profit margin for the property management business was 18.9%, representing a decrease of 1.2 percentage points as compared with the Prior Period. The decrease was mainly due to the reduction in gross profit margin of the community space property management services segment. The reasons for such reduction were mainly due to: (i) a commitment to a long-term perspective, with proactive investment in costs to enhance on-site project quality; and (ii) the impact of the developer industry, resulting in a decrease in the proportion of revenue from value-added services to non-property owners (which has a higher gross profit margin among all segments of the Group) in the total revenue from community space property management services as compared with the Prior Period.

For the six months ended 30 June 2024, the gross profit margin of the ecosystem business was 39.9%.

GAIN ON CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

For the six months ended 30 June 2024, the Group recorded gain on changes in fair value of investment properties of RMB118.1 million, which was mainly due to the valuation change of the commercial leasing operation projects.

OTHER INCOME AND GAINS

For the six months ended 30 June 2024, the Group recorded other income and gains of RMB354.2 million, representing an increase of 35.5% as compared with the Prior Period, which was mainly attributable to the change in the fair value of contingent consideration arising from historical acquisition and merger transactions.

MARKETING EXPENSES

For the six months ended 30 June 2024, the Group recorded marketing expenses of RMB113.7 million, representing an increase of 4.5% as compared with the Prior Period, which was mainly due to the increase in marketing expenses for newly opened subleasing projects.

ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2024, the Group recorded administrative expenses of RMB405.5 million, representing a decrease of 7.1% as compared with the Prior Period, which was primarily attributable to the organisational changes and lean cost control, which resulted in significant cost reduction and quality and efficiency improvement.

OTHER EXPENSES

For the six months ended 30 June 2024, the Group recorded other expenses of RMB38.1 million, representing an increase of 97.5% as compared with the Prior Period, which was mainly attributable to the increase in the provision for bad debt allowance for trade receivables.

FINANCE COSTS

For the six months ended 30 June 2024, the Group's finance costs were RMB58.5 million, which was mainly interest expenses incurred on lease liabilities and was basically unchanged as compared with the Prior Period.

INCOME TAX EXPENSES

For the six months ended 30 June 2024, the Group's effective income tax rate was 25.0%, representing a decrease of 1.4 percentage points as compared with the Prior Period, which was mainly attributable to the tax exclusion of the gains arising from the change in the fair value of contingent consideration recognised in acquisition and merger transactions.

PROFIT FOR THE PERIOD

For the six months ended 30 June 2024, the Group's net profit was RMB1,922.0 million, which increased by 36.4% as compared with the Prior Period. For the six months ended 30 June 2024, the profit attributable to equity shareholders of the Company amounted to RMB1,907.9 million, representing an increase of 36.0% as compared with the Prior Period.

CORE NET PROFIT (NON-HKFRS MEASURE)

To supplement the consolidated financial statements, which are presented in accordance with HKFRS, we also use core net profit (non-HKFRS measure) as an additional financial measure, which is not required by, or presented in accordance with HKFRS. We believe that the presentation of such non-HKFRS measure provides useful information to investors and the management in understanding the consolidated results of the core operation of the Group from period to period by excluding the potential impact of certain items that are unrelated to the Company's daily business operations and management. The core net profit (non-HKFRS measure) is defined as the net profit attributable to shareholders of the Group adjusted by deducting revaluation gain/loss from investment properties, amortisation of intangible assets — customer relationships, gain/loss on changes in fair value of contingent consideration and associated deferred tax impact.

For the six months ended 30 June 2024, the core net profit attributable to shareholders of the Company (non-HKFRS measure, which has been adjusted by (i) deducting the revaluation gain from investment properties together with the associated deferred tax impact of RMB88.5 million; (ii) deducting the gain on changes in fair value of contingent consideration of RMB90.2 million; and (iii) adding the amortisation of intangible assets — customer relationships together with the associated deferred tax impact of RMB37.3 million) amounted to RMB1,766.5 million, representing an increase of 24.2% as compared with the Prior Period. For the six months ended 30 June 2023, the core net profit attributable to shareholders of the Company (non-HKFRS measure, if adjusted on the same basis) amounted to RMB1,417.3 million.

LIQUIDITY AND CAPITAL RESOURCES

As of 30 June 2024, the Group's total bank deposits and cash (including restricted bank deposits) amounted to RMB9,443.8 million and were mainly held in RMB. The Group maintained a reasonable and adequate level of cash through centralised fund management.

GEARING RATIO

As of 30 June 2024, the Group's gearing ratio was 43.4%, representing an increase of 1.1 percentage points as compared with the Prior Period. The gearing ratio was calculated by total liabilities divided by total assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

During the six months ended 30 June 2024, the Group had no significant investments and material acquisitions or disposals of subsidiaries, associates and joint ventures. In addition, save as disclosed in the section "Future Plans and Use of Proceeds" in the prospectus of the Company dated 25 November 2020 and the announcement of the Company dated 25 March 2024 in relation to the change in use of net proceeds from the global offering and the exercise of the over-allotment option (the "**Announcement**"), the Group has no future plans for material investments or capital assets.

PROCEEDS OF THE LISTING

The shares of the Company were successfully listed on the Stock Exchange on 9 December 2020, with total net proceeds of the Listing amounted to approximately RMB11,600.4 million after deduction of the underwriting fees and related expenses.

As of 30 June 2024, RMB4,847.0 million of the proceeds of the Listing had been utilised and used in accordance with the use of proceeds set out in the prospectus of the Company dated 25 November 2020 and the Announcement. The unutilised net proceeds of approximately RMB6,753.4 million will be allocated and used in accordance with the purposes and proportions set out in the Announcement. As of 30 June 2024, the revised proposed use of the net proceeds pursuant to the Announcement is as follows:

Revised proposed use of the net proceeds	Revised percentage of the net proceeds %	Revised net proceeds for the proposed use *(RMB million)*	Revised unused net proceeds as of 31 December 2023[3] *(RMB million)*	Utilised net proceeds as of 30 June 2024 *(RMB million)*	Unutilised net proceeds as of 30 June 2024 *(RMB million)*	Expected timeline for fully utilising the remaining net proceeds from the Listing
(i) Making strategic investments and acquisitions to expand property management and commercial operational businesses	45%	5,220.3	2,891.5	2,638.5	2,581.8	By December 2027
(ii) Pursuing strategic investment in providers of value-added services and across the upstream and downstream supply chain of the Company's industry	30%	3,480.0	3,057.6	447.3	3,032.7	By December 2027
(iii) Investing in information technology systems and smart communities	15%	1,740.1	1,242.4	601.2	1,138.9	By December 2027
(iv) Working capital and general corporate uses	10%	1,160.0	—	1,160.0	—	N/A
Total	**100%**	**11,600.4**	**7,191.5**	**4,847.0**	**6,753.4**	

Note 3: The revised unused net proceeds as of 31 December 2023 in respect of each proposed use are restated after taking into account of the change in use of net proceeds set out in the Announcement.

PROPERTY HELD FOR INVESTMENT

For the six months ended 30 June 2024, three of the properties of the Group, namely Shenzhen Buji MIXONE (深圳布吉萬象匯), Lanzhou MIXC (蘭州萬象城) and Shenzhen Longgang Universiade World (深圳龍崗大運天地), were recognised as the investment properties under HKFRS 16 in the consolidated statement of financial position, and the relevant percentage ratios of such investment properties exceeds 5% pursuant to Rule 14.04(9) of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Shenzhen Buji MIXONE is located at No. 2 Xiangge Road, Buji Sub-district, Longgang District, Shenzhen, Guangdong Province, the PRC, Lanzhou MIXC is located at No.2 Qingyang Road, Chengguan District, Lanzhou, Gansu Province, the PRC, and Shenzhen Longgang Universiade World is located in Huanggekeng Community, Longcheng Street, Longgang District, Shenzhen, Guangdong Province, the PRC. They are currently used for operating lease and are held under long-term lease. During the effective term of the lease contracts, the lessors have no right to unilaterally terminate the contracts except for force majeure events and extreme conditions such as the default on rental payment by the Group, illegal operation and damage to the buildings.

CONTINGENT LIABILITIES

As of 30 June 2024, the Group had no material contingent liabilities (31 December 2023: Nil).

PLEDGE OF ASSETS

As of 30 June 2024, the Group had no pledge of assets (31 December 2023: Nil).

FOREIGN CURRENCY RISK

As the Group's business is mainly conducted in the PRC, we mainly adopt RMB as the settlement currency. As of 30 June 2024, non-RMB assets and liabilities mainly included cash of HKD285.7 million and US$19,410.9. The management believes that the operation of the Group was not exposed to material foreign currency risk. No significant impact was caused by the fluctuation of RMB exchange rate on the Group's financial position. Currently, the Group does not have any hedging policies against its foreign exchange risk, but the management will actively monitor the foreign exchange exposure and make necessary adjustments in accordance with the changes in market environment.

EMPLOYEE AND COMPENSATION POLICY

As of 30 June 2024, the Group had 40,244 full time employees (31 December 2023: 40,977 employees) in Chinese Mainland and Hong Kong. The Group remunerates its employees based on their performance, working experience and market salary levels. In addition, performance bonus is granted on a discretionary basis. Other employee benefits include housing provident fund, insurance and medical coverage.

CONTINUING DISCLOSURE REQUIREMENT UNDER RULE 13.21 OF THE LISTING RULES

The Company entered into the following loan agreement which has specific performance covenant of its controlling shareholders. The obligations of such loan agreements continue to exist as of the date of this announcement. As at the date of this announcement, CRH beneficially owns directly or indirectly approximately 73.72% of the issued share capital of the Company, and CR Land is the single largest shareholder of the Company, directly owning approximately 72.29% of the issued share capital of the Company and being able to control the Company.

- A revolving loan facility letter for a facility in an aggregate amount of up to HKD600,000,000 with a maturity date of 12 months was entered into on 20 October 2021, details of which have been disclosed in the announcement dated 20 October 2021. The Company has undertaken that during the term of the facility, the Company shall procure that CRH and CR Land remain directly or indirectly interested in no less than 35% and 51% of the issued share capital of the Company respectively. If violation of the relevant undertakings under this facility letter occurs, the lender may declare any commitment under this facility letter to be cancelled and/or declare the outstanding loans, together with all the interests accrued thereon, and all other amounts due under this facility letter shall become immediately due and payable. The revolving loan facility letter has been renewed on the same terms on 20 October 2022 and 20 October 2023 respectively with the maturity date having been extended for 12 months on each occasion. As of 30 June 2024, the Group did not draw down this facility.

SUBSEQUENT EVENTS

Since 30 June 2024 and up to the date of this announcement, the Group had no significant events occurred which would have a material impact on the performance and the value of the Group.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

The Company has applied the principles and adopted the code provisions stated in the Corporate Governance Code contained in Appendix C1 to the Listing Rules (the "**CG Code**"). The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

The Company has complied with all applicable code provisions set out in the CG Code throughout the six months ended 30 June 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own securities dealing code to regulate all dealings of securities in the Company by the Directors and other matters covered by the Model Code.

Specific enquiry has been made by the Company to all the Directors and they have confirmed that they have complied with the Model Code for the six months ended 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company. As of 30 June 2024, the Company did not own any treasury shares.

AUDIT COMMITTEE AND AUDITOR

Interim results for the six months ended 30 June 2024 have been reviewed by the Audit Committee, which comprises three independent non-executive Directors and one non-executive Director (namely, Mr. CHAN Chung Yee Alan (chairman), Mr. CHEUNG Kwok Ching, Ms. LO Wing Sze and Mr. GUO Shiqing). The unaudited interim financial information of the Group for the six months ended 30 June 2024 had been reviewed by the Company's independent auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

INTERIM DIVIDEND, SPECIAL DIVIDEND, RECORD DATES AND CURRENCY ELECTION

The Board has resolved to declare (i) an interim dividend of RMB0.279 (equivalent to HKD0.305) per share (the "**2024 Interim Dividend**") for the six months ended 30 June 2024 payable on or around 25 October 2024 to shareholders whose names appear on the register of members of the Company on 11 September 2024; and (ii) a special dividend of RMB0.575 (equivalent to HKD0.629) per share (the "**2024 Special Dividend**") payable on or around 20 December 2024 to shareholders whose names appear on the register of members of the Company on 30 October 2024.

The 2024 Interim Dividend and the 2024 Special Dividend will be payable in cash to each shareholder in HKD unless an election is made to receive the same in RMB.

Shareholders will be given the option to elect to receive all or part of the 2024 Interim Dividend and/or the 2024 Special Dividend in RMB at the exchange rate of HKD1.0: RMB0.9142, being the average CNY Central Parity Rate announced by the People's Bank of China for the last five business days inclusive of the date of this announcement. If shareholders elect to receive the 2024 Interim Dividend and/or the 2024 Special Dividend in RMB, such dividend will be paid to shareholders at RMB0.279 per share and/or RMB0.575 per share, respectively. To make such election, shareholders should complete (i) the dividend currency election form in respect of the 2024 Interim Dividend which is expected to be dispatched to shareholders in September 2024 as soon as practicable after the record date of 11 September 2024 to determine shareholders' entitlement to the 2024 Interim Dividend, and lodge them to the branch share registrar of the Company, Tricor Investors Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 7 October 2024; and (ii) the dividend currency election form in respect of the 2024 Special Dividend which is expected to be dispatched to shareholders in November 2024 as soon as practicable after the record date of 30 October 2024 to determine shareholders' entitlement to the 2024 Special Dividend, and lodge them to the branch share registrar of the Company, Tricor Investors Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 25 November 2024.

Shareholders who are minded to elect to receive all or part of their dividends in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant shareholders by ordinary post (i) on or around 25 October 2024 (in respect of the cheques for the 2024 Interim Dividend) and (ii) on or around 20 December 2024 (in respect of the cheques for the 2024 Special Dividend) at the shareholders' own risk.

If no duly completed dividend currency election form in respect of that shareholder is received by the branch share registrar of the Company by 4:30 p.m. on 7 October 2024 (in respect of the 2024 Interim Dividend) and by 4:30 p.m. on 25 November 2024 (in respect of the 2024 Special Dividend), such shareholder will automatically receive the 2024 Interim Dividend and the 2024 Special Dividend in HKD respectively. All dividend payments in HKD will be made in the usual ways (i) on or around 25 October 2024 (in respect of the 2024 Interim Dividend) and (ii) on or around 20 December 2024 (in respect of the 2024 Special Dividend).

If shareholders wish to receive the 2024 Interim Dividend and 2024 Special Dividend in HKD in the usual manner, no additional action is required.

Shareholders should seek professional advice with their own tax advisers regarding the possible tax implications of the dividend payment.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed (i) in respect of 2024 Interim Dividend, from 11 September 2024 to 12 September 2024 (both days inclusive) and (ii) in respect of 2024 Special Dividend, from 30 October 2024 to 31 October 2024 (both days inclusive) during which period no transfer of shares would be effected. In order to qualify for the 2024 Interim Dividend and the 2024 Special Dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong branch share registrar of the Company, Tricor Investors Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than (i) 4:30 p.m. on 10 September 2024 (in respect of the 2024 Interim Dividend) and (ii) 4:30 p.m. on 29 October 2024 (in respect of the 2024 Special Dividend).

PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's interim report for the six months ended 30 June 2024 containing the relevant information required by the Listing Rules will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.crmixclifestyle.com.cn) in due course.

By Order of the Board
China Resources Mixc Lifestyle Services Limited
LI Xin
Chairman

China, 27 August 2024

As of the date of this announcement, the Board comprises Mr. LI Xin (Chairman) and Mr. GUO Shiqing as non-executive Directors, Mr. YU Linkang, Mr. WANG Haimin, Mr. WANG Lei and Mr. NIE Zhizhang as executive Directors, and Mr. LAU Ping Cheung Kaizer, Mr. CHEUNG Kwok Ching, Mr. CHAN Chung Yee Alan and Ms. LO Wing Sze as independent non-executive Directors.

In this announcement, certain amounts and figures presented may have been rounded to the nearest units. Any discrepancies in or between any table or announcement content are due to rounding.