



華潤萬象生活有限公司

China Resources Mixc Lifestyle Services Limited

(Stock Code 股份代號: 01209.HK)

2023

中期業績發佈

INTERIM RESULTS ANNOUNCEMENT

非凡啟新
爭創一流

EXTRAORDINARY NEW CHAPTER

THRIVING FOR EXCELLENCE

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01

Results Highlights

Results Highlights

Seizing the opportunity of economic recovery to pursue high-quality development while continuously enhancing shareholders' return.


Revenue

RMB **6.793** billion

YoY +28.7% 

Retail Sales of Shopping Malls

RMB **84.1** billion

YoY +41.0% 

Total GFA under property management

325 million sq.m.

+11.8% as compared to the end of 2022 

Core Net Profit

RMB **1.422** billion

YoY +36.7% 

NOI Margin of Shopping Malls

67.2%

YoY +9.4 ppt 

Newly Acquired Contracted Third-party Areas through Bidding & Direct expansion²

28.24 million sq.m.

YoY +27.7% 

Earnings per share

RMB **0.614**

YoY +36.5% 


Newly Acquired Third-party Shopping Malls

7

Total GFA of **0.71** million sq.m. 

Gross Profit Margin of Property Management Segment

20.1%

YoY -0.9 ppt 

Interim dividend per share

RMB **0.223**

YoY +75.6% 

Number of Members

39.90 million

+17.4% as compared to the end of 2022 

Revenue from Community Value-added Services

RMB **627** million

YoY +11.8% 

1: Unless otherwise specified, the currency unit in this report refers to RMB.

2: Including newly contracted projects in the current year, excluding renewed third-party projects that expired in the current year.



02

Financial Review

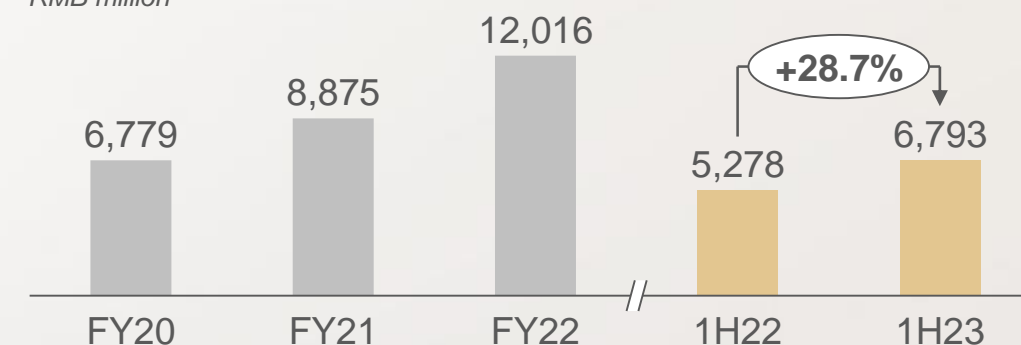
Statement of Profit or Loss

Adhering to quality growth in scale, achieving significant cost reduction, quality improvement and efficiency enhancement, and remarkable growth in **core net profit**: Total revenue increased by 28.7% YoY to RMB6.793 billion, while core net profit surged by 36.7% to RMB1.422 billion. The synergy and economies of scale derived from mergers and acquisitions further contributed to a 1.1ppt YoY decrease in management and sales expense ratio to 8.0%.

RMB' million	1H23	1H22	Change
Revenue	6,793	5,278	28.7%
Property Management Segment	4,484	3,354	33.7%
Commercial Management Segment*	2,309	1,924	20.1%
Gross profit	2,253	1,672	34.7%
Property Management Segment	902	704	28.0%
Commercial Management Segment*	1,351	968	39.5%
Gross profit margin	33.2%	31.7%	1.5ppt
Property Management Segment	20.1%	21.0%	-0.9ppt
Commercial Management Segment*	58.5%	50.3%	8.2ppt
Management and sales expense	545	483	13.0%
Management and sales expense ratio	8.0%	9.1%	-1.1ppt
Net profit attributable to shareholders	1,402	1,028	36.5%
Core net profit	1,422	1,040	36.7%
Core net profit margin	20.9%	19.7%	1.2ppt
Earnings per share	0.614	0.450	36.5%
Interim dividend per share	0.223	0.127	75.6%

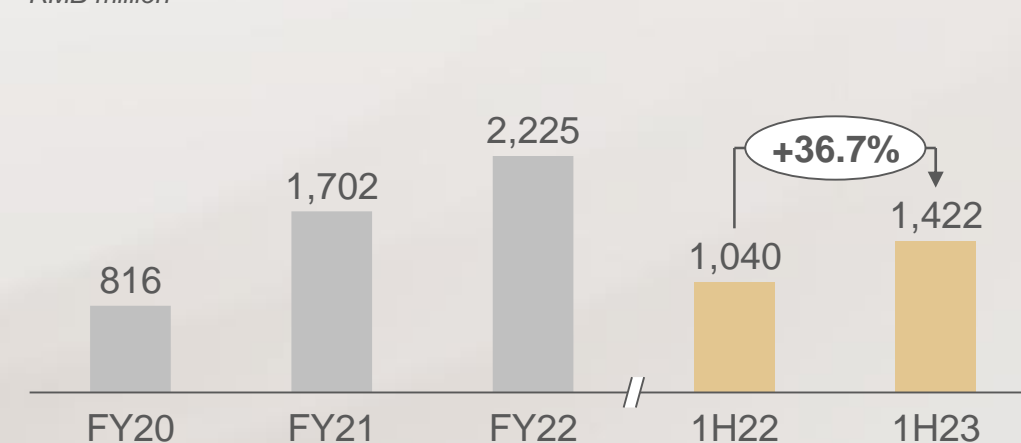
Total revenue

RMB million



Core net profit

RMB million



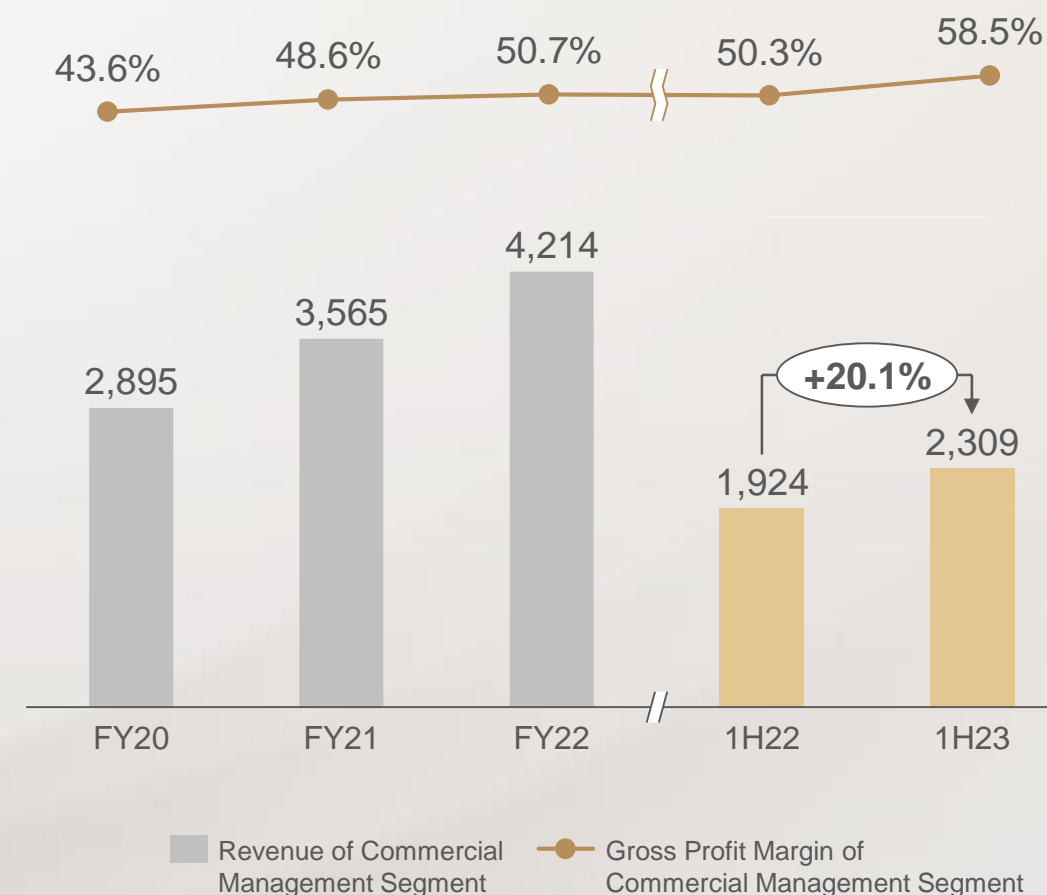
*Including operation and property management services for shopping malls (including sub-leasing) and office buildings.

Revenue and Gross Profit Margin of Commercial Management Segment

The operating leverage effect in the commercial property management segment further strengthened, continuous revenue growth drove increase in gross profit margin. Revenue of commercial management segment increased by 20.1% YoY to RMB2.309 billion, and gross profit margin increased by 8.2ppt YoY to 58.5%.

RMB' million	1H23	1H22	Change
Revenue	2,309	1,924	20.1%
Shopping malls	1,409	1,173	20.2%
<i>Shopping Malls -operation</i>	958	747	28.3%
<i>Shopping Malls -property management*</i>	191	257	-25.6%
<i>Shopping Malls -sub-leasing</i>	260	169	54.3%
Office	900	751	19.8%
<i>Office -operation</i>	69	54	26.7%
<i>Office-property management</i>	831	697	19.2%
Gross Profit Margin	58.5%	50.3%	8.2ppt
Shopping Malls	71.8%	61.6%	10.2ppt
<i>Shopping Malls -operation</i>	74.5%	62.7%	11.8ppt
<i>Shopping Malls -property management</i>	62.3%	52.0%	10.3ppt
<i>Shopping Malls -sub-leasing</i>	68.5%	71.5%	-3.0ppt
Office buildings	37.7%	32.7%	5.0ppt
<i>Office -operation</i>	77.8%	61.1%	16.7ppt
<i>Office -property management</i>	34.4%	30.5%	3.9ppt

Revenue and Gross Profit Margin of Commercial Management Segment
RMB million



*Including pre-opening and post-opening property management service income, which decreased due to the number of newly opened shopping malls during the period..

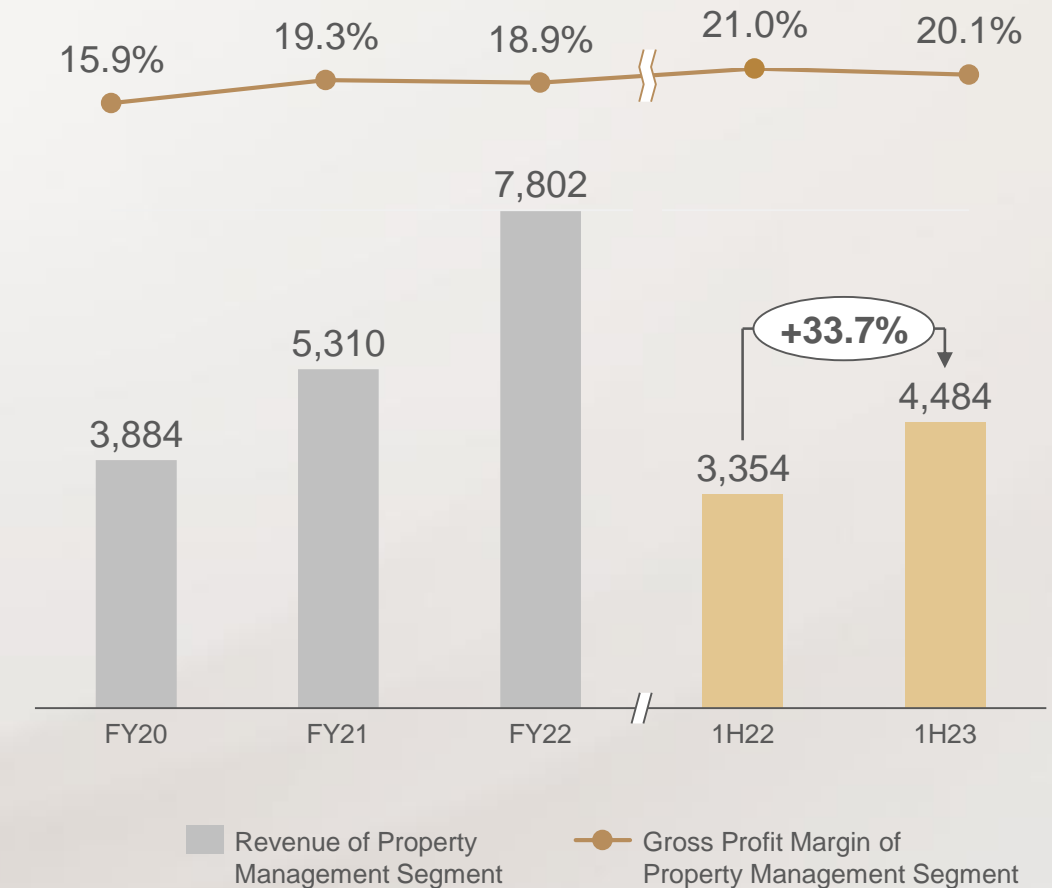
Revenue and Gross Profit Margin of Property Management Segment

Scale expansion drove revenue growth, while lean management supported gross profit margin stabilization: Revenue of property management segment increased by 33.7% YoY to RMB4.484 billion, with overall gross profit margin slightly decreased by 0.9ppt YoY to 20.1%, which effectively balanced growth in scale and operational efficiency.

RMB' million	1H23	1H22	Change
Revenue	4,484	3,354	33.7%
<i>Basic property services</i>	3,450	2,382	44.8%
<i>Value-added services to non-property owners</i>	407	412	-1.0%
<i>Community value-added services</i>	627	560	11.8%
Gross Profit Margin	20.1%	21.0%	-0.9ppt
<i>Basic property services</i>	15.6%	15.1%	0.5ppt
<i>Value-added services to non-property owners</i>	39.2%	38.8%	0.4ppt
<i>Community value-added services</i>	32.4%	33.1%	-0.7ppt

Revenue and Gross Profit Margin of Property Management Segment

RMB million

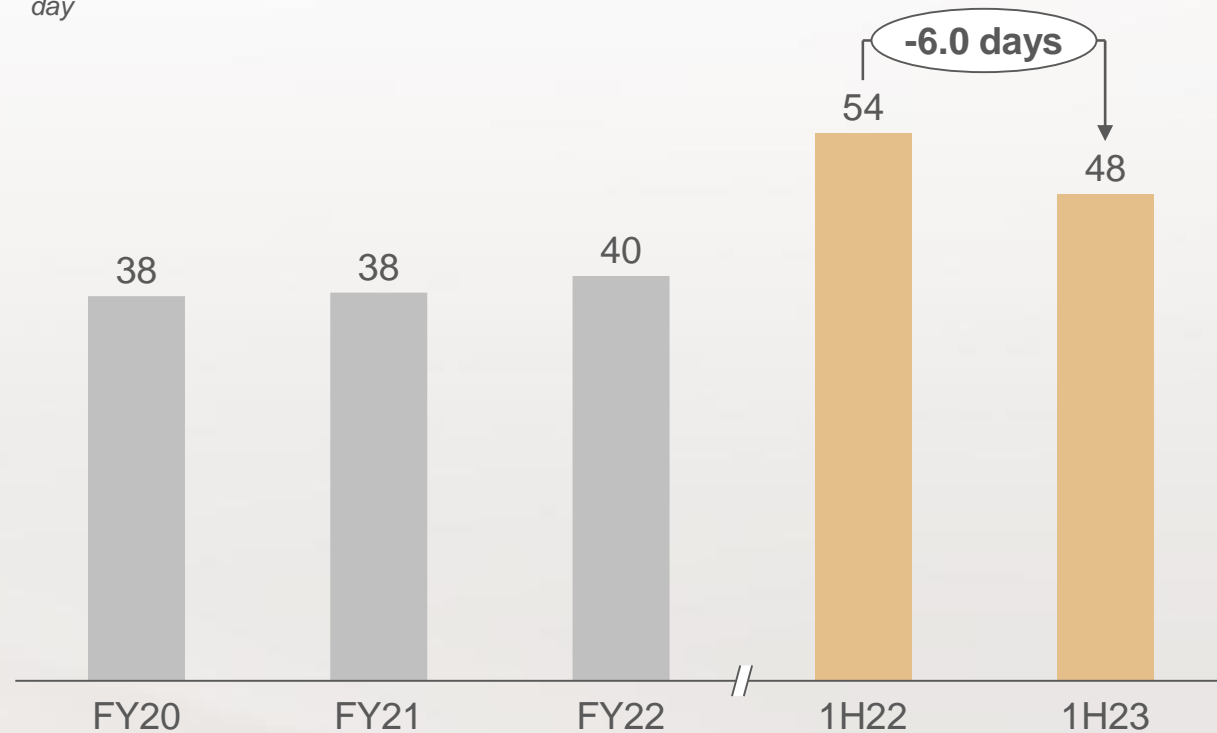


Trade Receivables and Operating Cash Flow Ratio

Continuously strengthened cash flow management to pursue "profitable revenue with cash inflow": During the period, the trade receivable turnover days decreased by 6 days YoY to 48 days, reaching an excellent level in the industry. The operating cash flow ratio increased by 3.0ppt YoY to 15.0%, demonstrating continuous improvement in profitability and cash generation abilities.

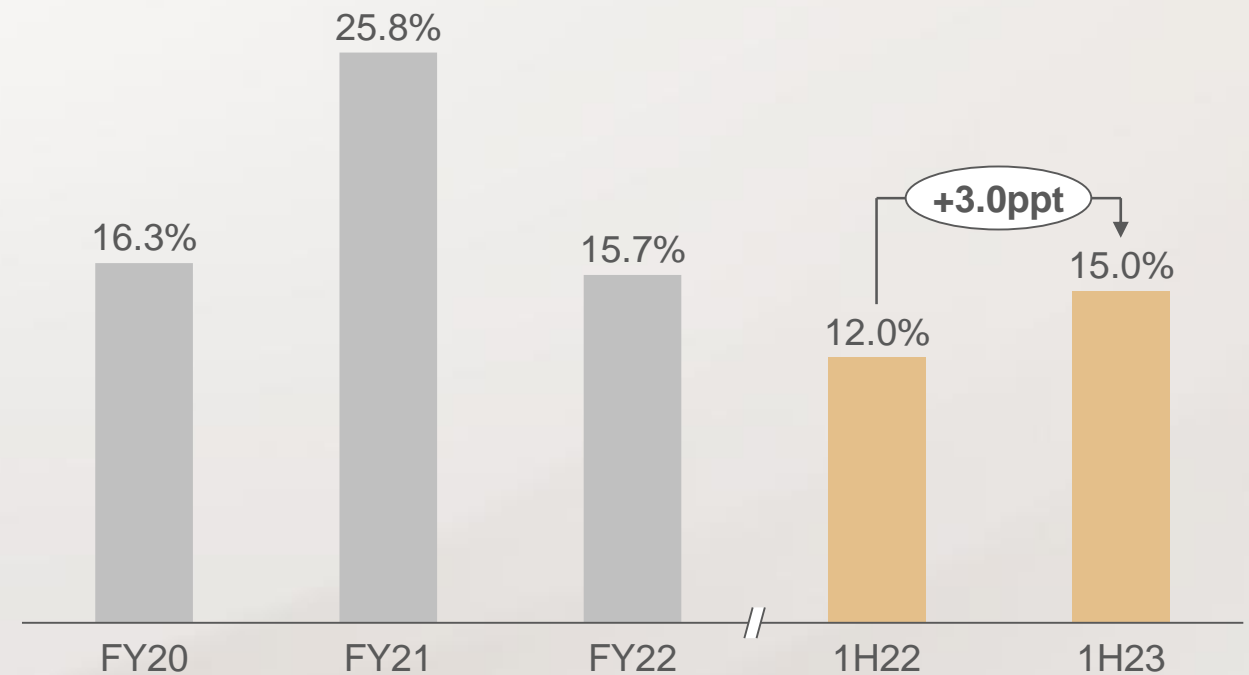
Turnover days of trade receivables

day



Operating cash flow ratio

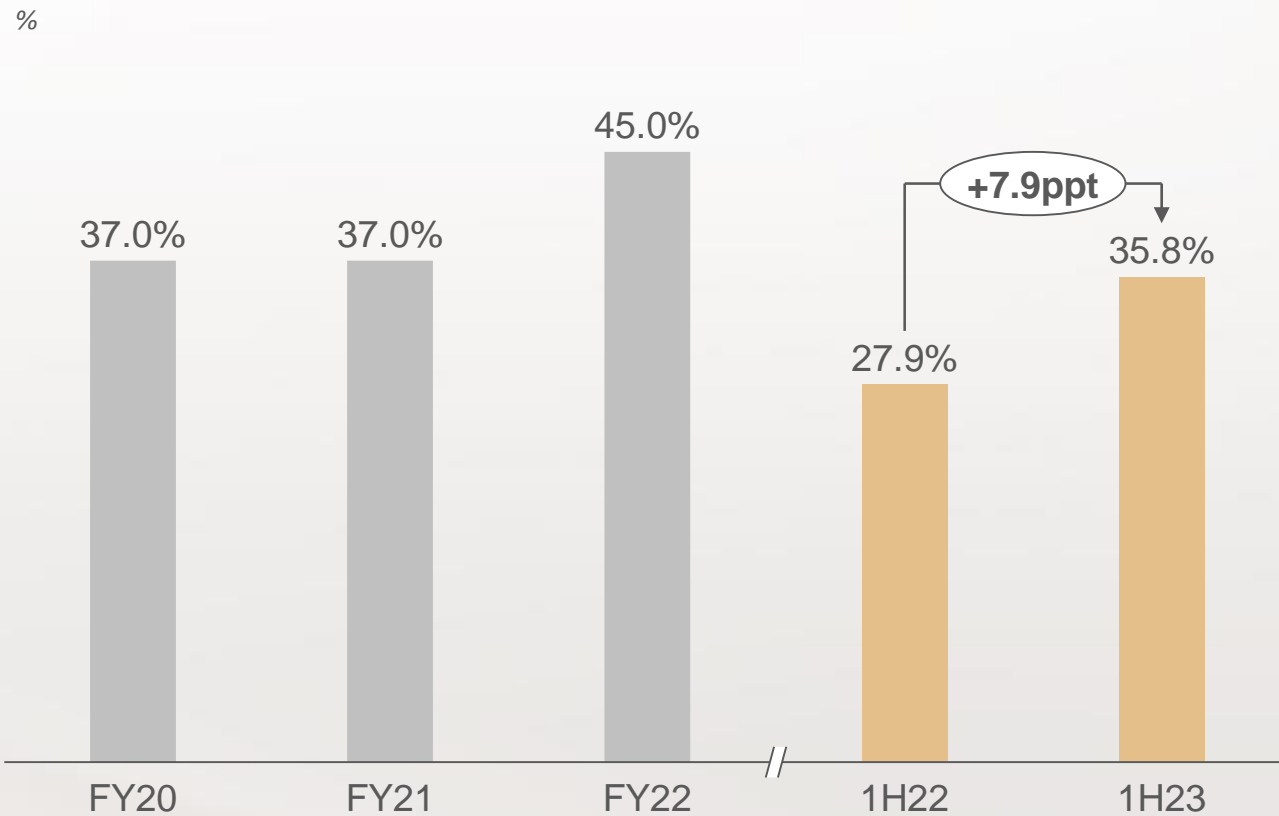
%



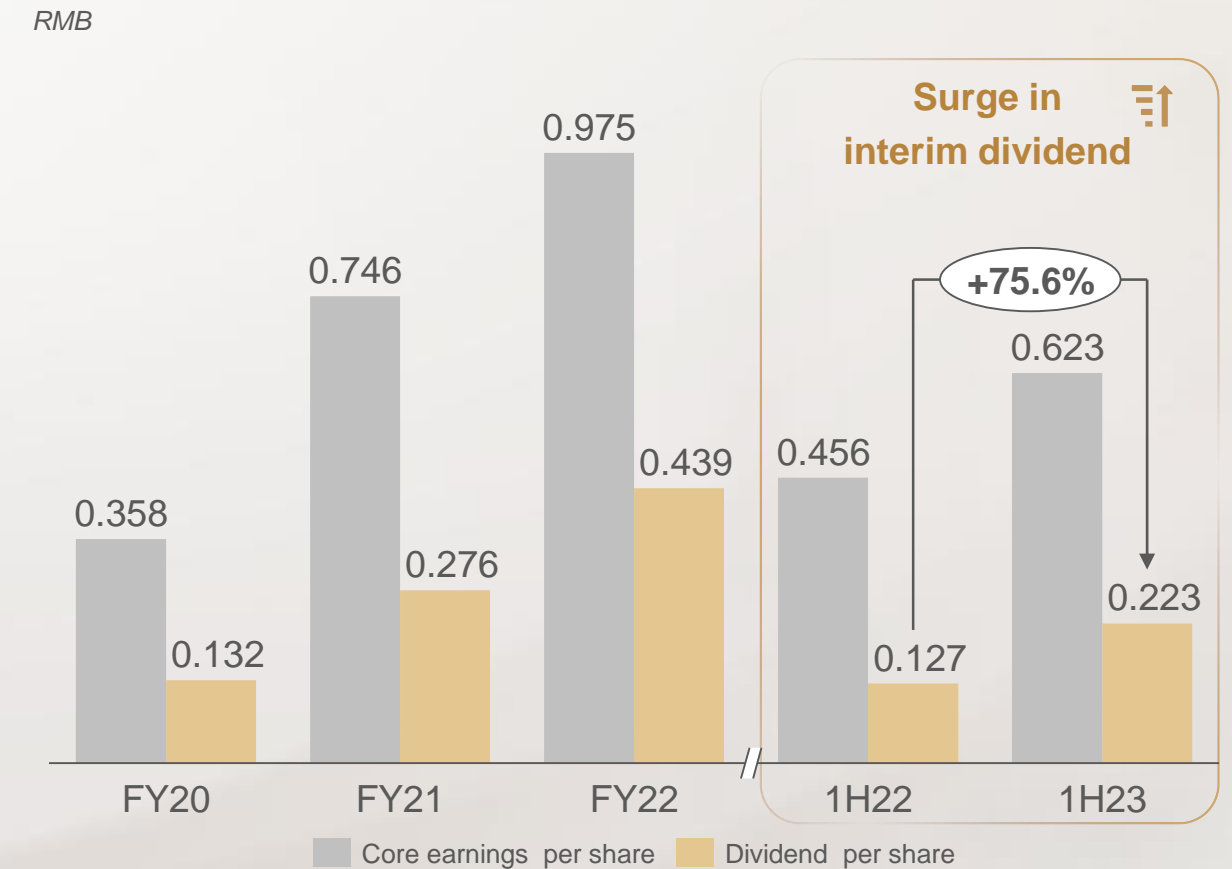
Dividend and Payout Ratio

Emphasizing shareholders' return, interim dividend increased significantly by 75.6%: To further enhance shareholders' return, interim dividend per share as a percentage of core net profit per share increased by 7.9ppt YoY to 35.8%. The interim dividend per share was RMB0.223, representing a significant YoY increase of 75.6%. The Company proposed to gradually increase dividend payout ratio in the future, consistently fulfilling our commitment to capital market.

Annual/Interim payout ratio



Core earnings per share and dividend per share





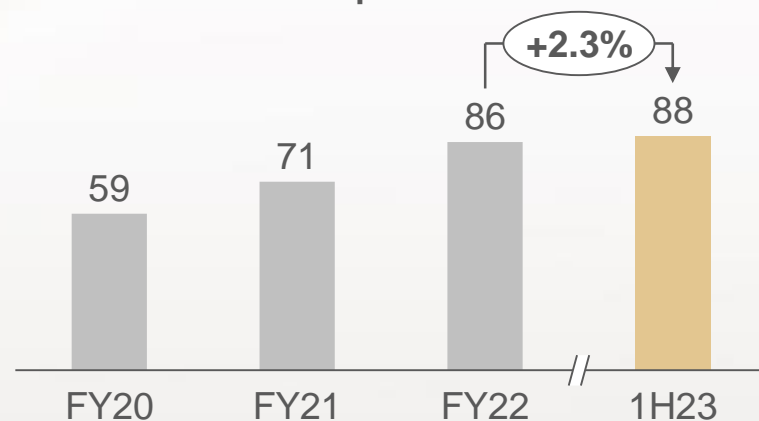
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Business Review

Commercial Management Business – Shopping Malls

The scale and influence of shopping malls in operation continue to improve, highlighting the status of industry leaders: The number of projects in operation increased to 88 and the GFA under management reached 9.52 million sq.m.. During the period, the number of luxury shopping malls in operation increased to 12, ranking first in the industry. The competitive edge in commercial high-end market has been further expanded. Among the projects in operation, 74 projects ranked top three in the local market in terms of retail sales, representing 84.1% of total malls in operation.

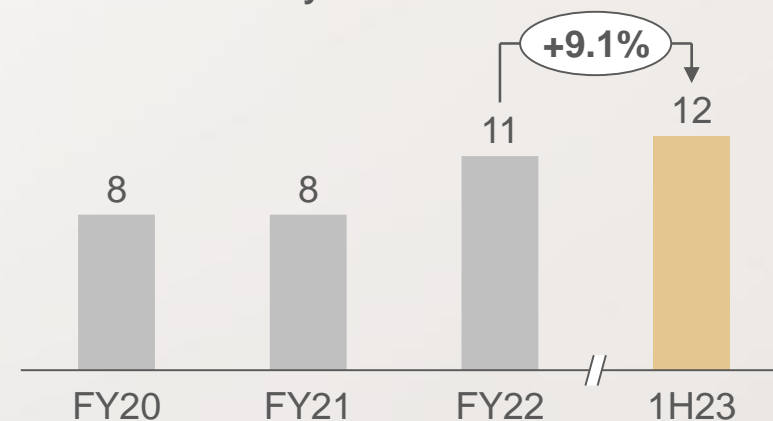
Number of malls in operation



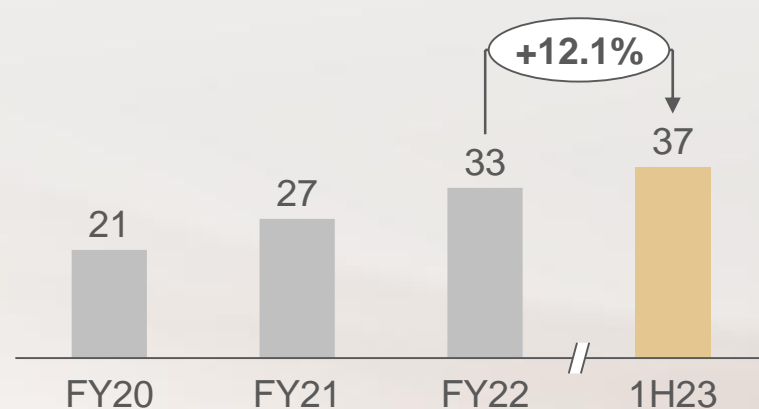
Area of malls in operation



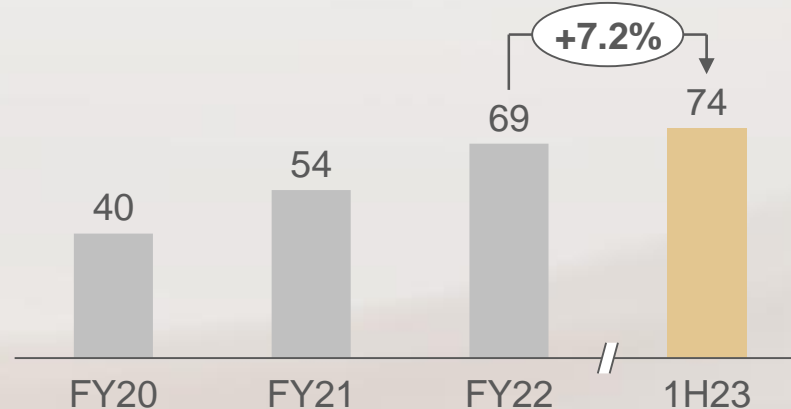
Number of luxury malls



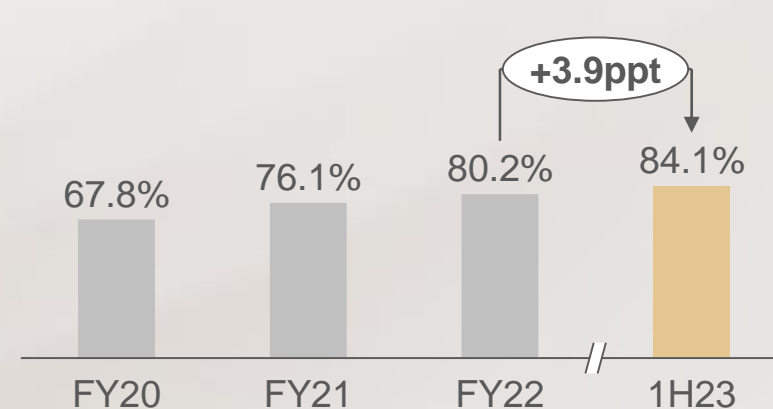
Number of malls ranked first in local market in terms of retail sales



Number of malls ranked top three in local market in terms of retail sales



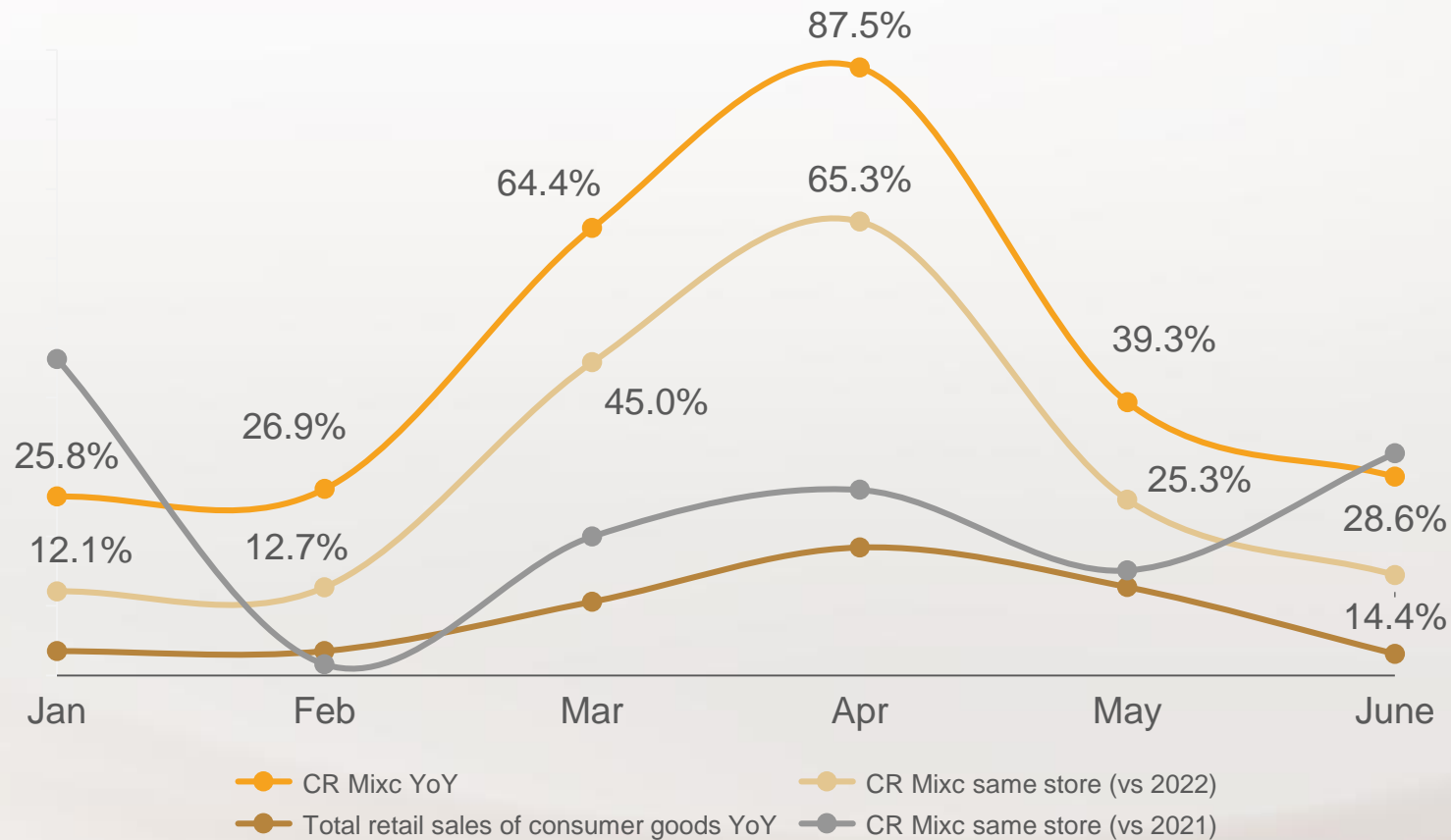
Percentage of the number of malls ranked top three in local market in terms of retail sales



Commercial Management Business – Shopping Malls

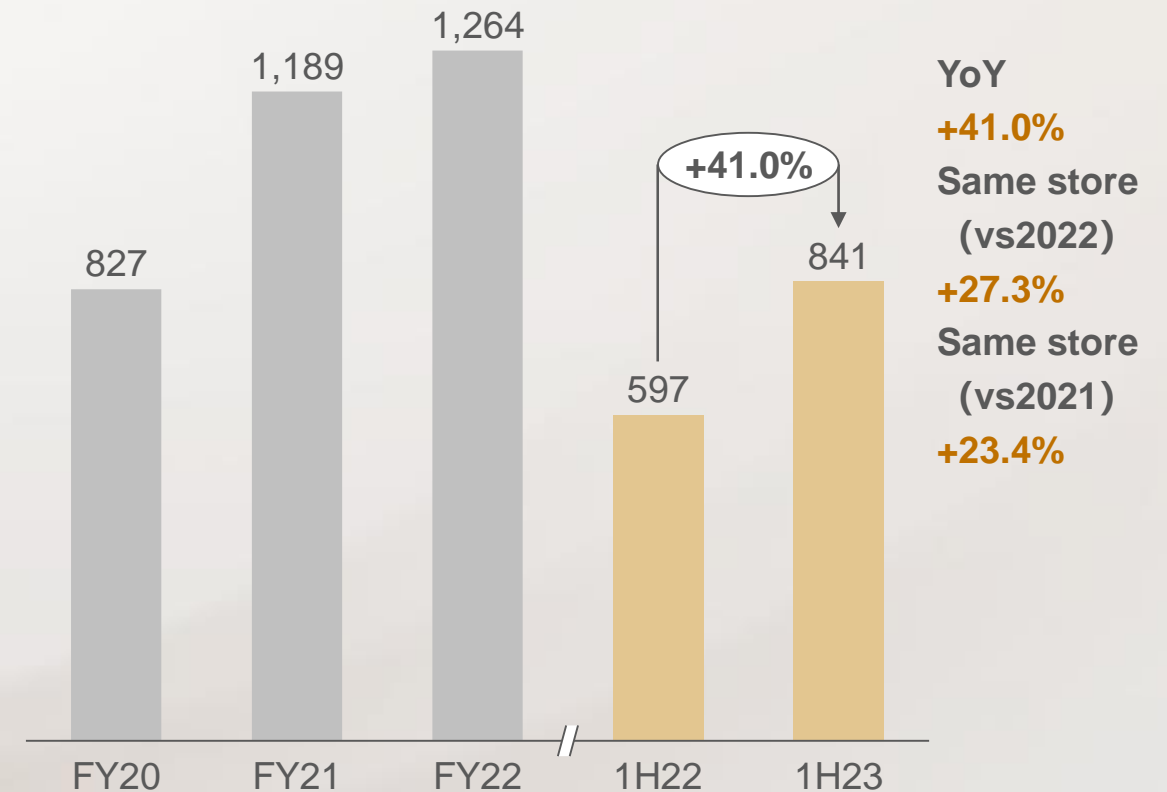
Seizing the opportunity of consumption recovery, retail sales growth significantly outperformed the market, while Pareto principle became more pronounced in the retail market: Actively implementing the operational strategy of "contending for market share, resources and preferential policy", during the period, the accumulated retail sales increased by 41.0% YoY to RMB84.1 billion. The retail sales growth rate outperformed the growth rate of total retail sales of consumer goods.

Monthly retail sales performance



Accumulated retail sales in 1H23

RMB100 million



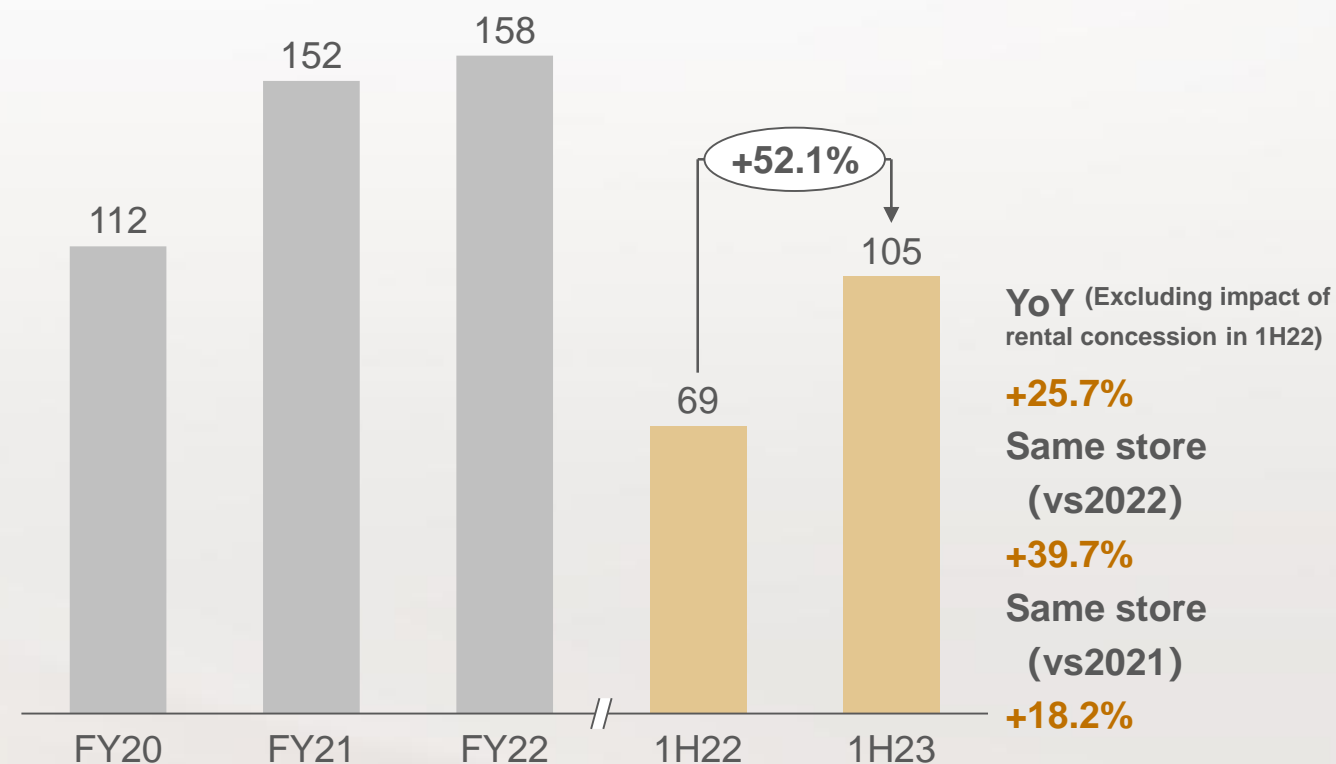
*The growth rates of total retail sales of consumer goods for January and February 2023 were based on two month combined values.

Commercial Management Business – Shopping Malls

Continuing to build a win-win ecosystem of “property owners, tenants, and business operators”, and striving for quality, efficiency, and growth through lean operations: The rental income of property owners increased by 52.1% YoY to RMB10.5 billion, NOI increased by 79.3% YoY to RMB7.1 billion, and NOI Margin increased by 9.4ppt YoY to 67.2%. After excluding the impact of rental concessions for the same period last year, the YoY growth in rental income and NOI were 25.7% and 28.5%, respectively.

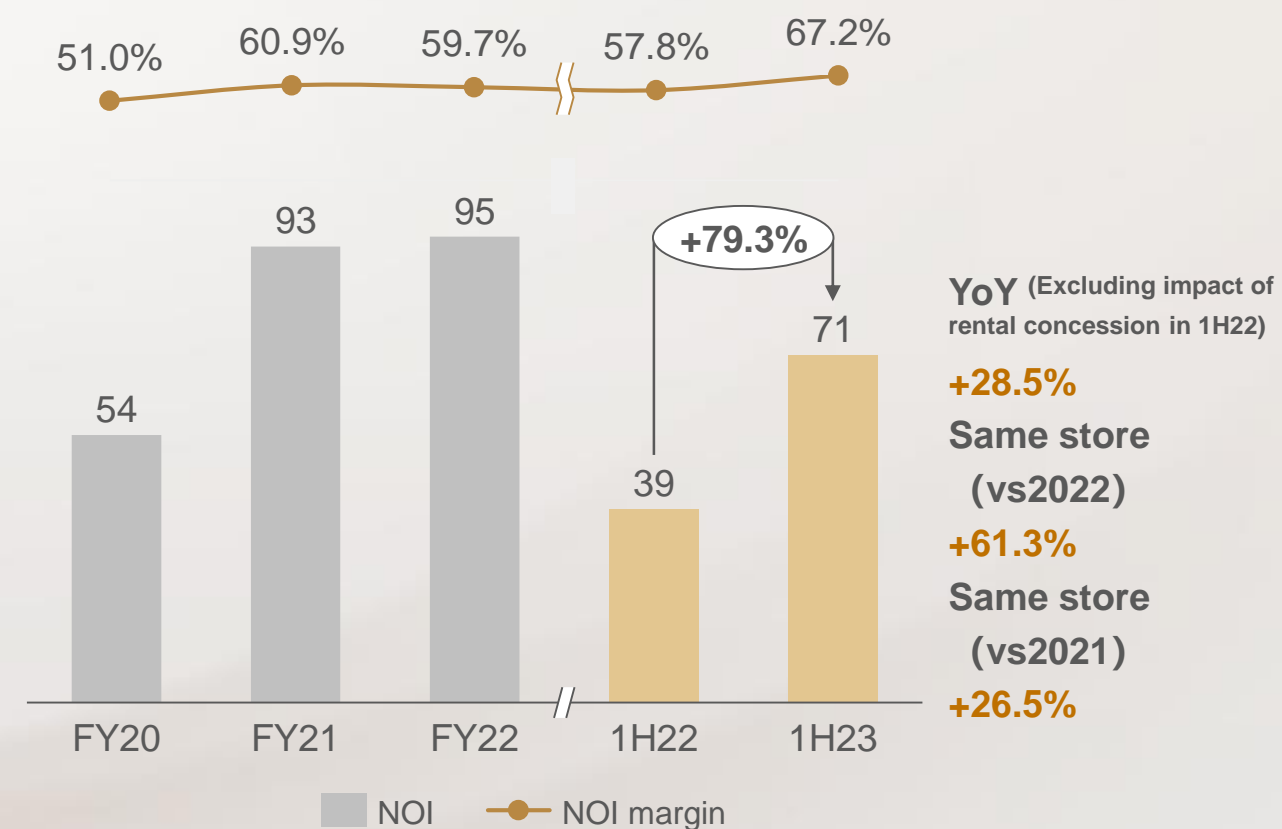
Rental income

RMB100 million



NOI and NOI Margin

RMB100 million

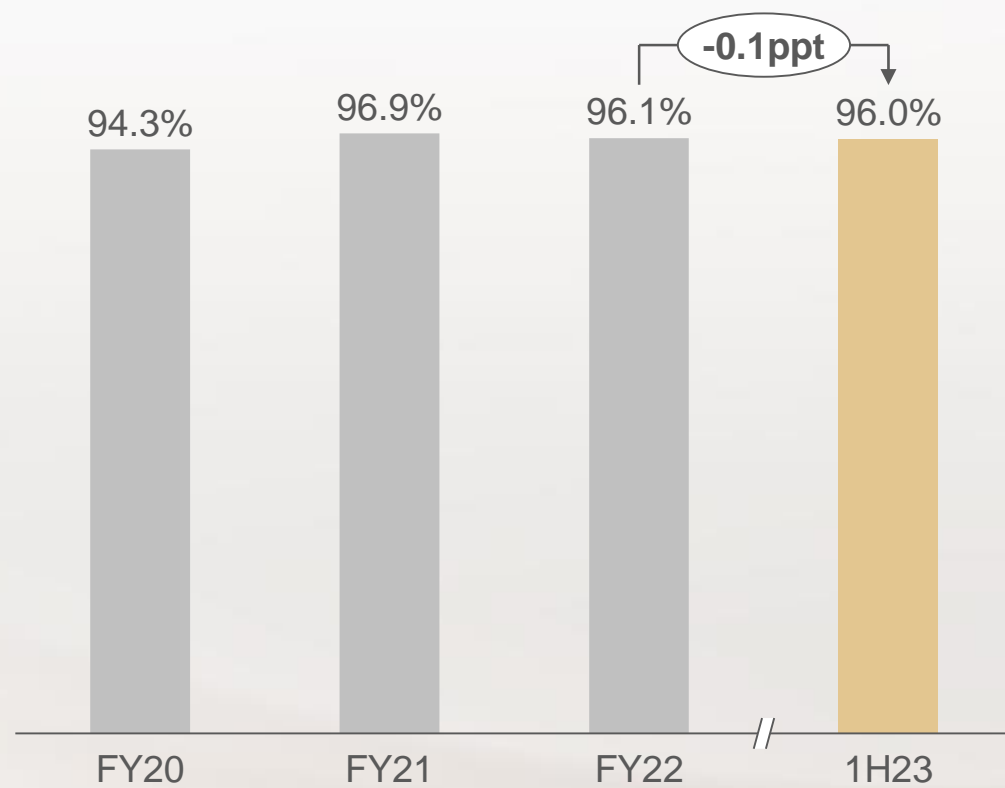


Commercial Management Business – Shopping Malls

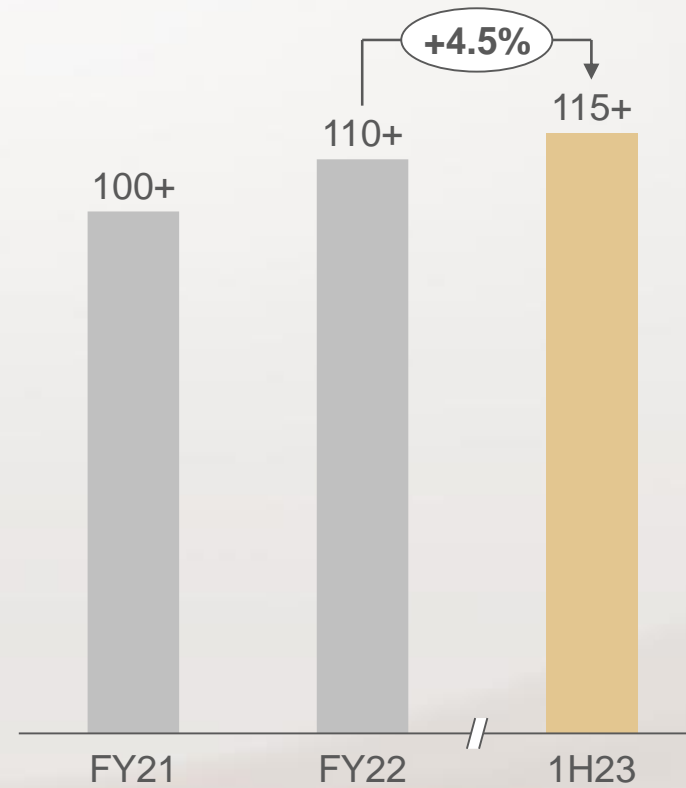
Consolidating the strategic moat in brand resources and deepening cooperation with core brands: During the period, the average occupancy rate of shopping malls in operation remained at a high level of 96.0%. The number of international luxury brands in cooperation exceeded 115 and the number of international luxury brand stores exceeded 500, maintaining the first in the industry.

Occupancy rate

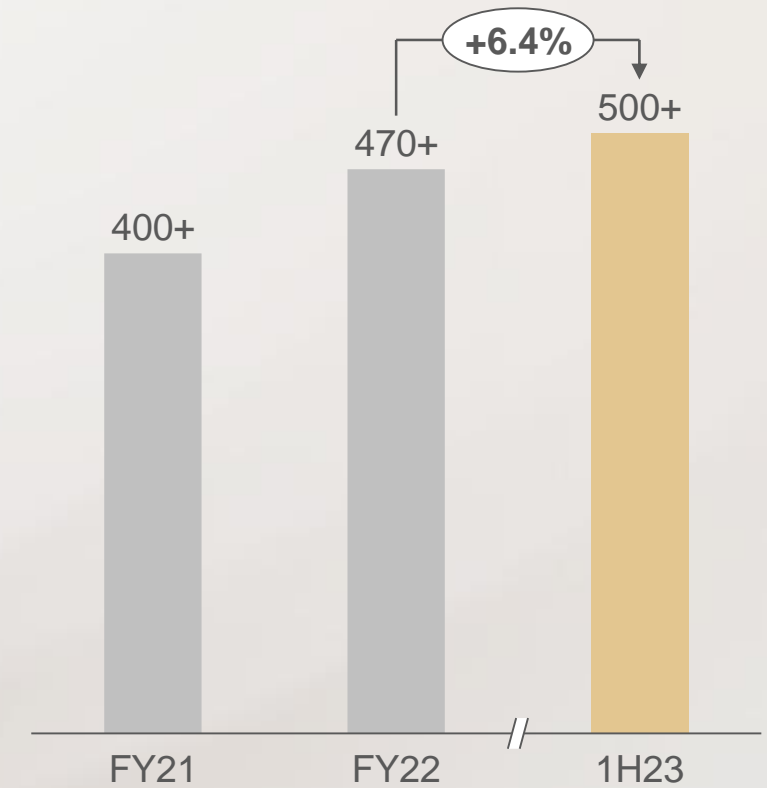
%



Number of International Luxury Brands under Cooperation



Number of International Luxury Stores under Cooperation



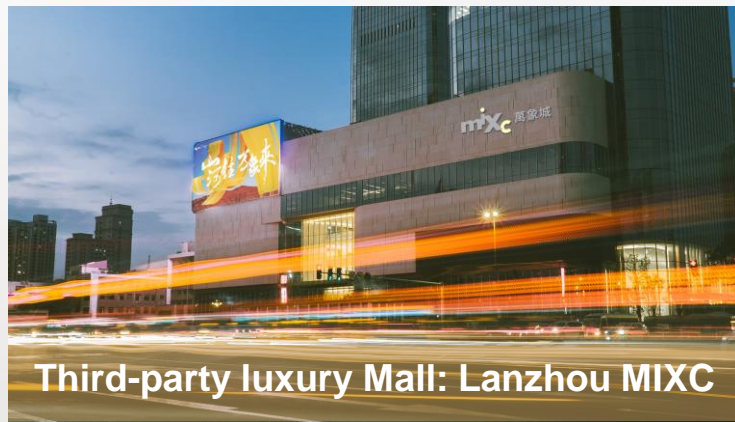
Commercial Management Business – Shopping Malls

3 high-quality shopping malls opened, showcasing a new model of light-asset management for luxury shopping malls: Lanzhou MIXC, Beijing Xi'sanqi MIXC ONE, and Chongqing MIXC Phase II opened successively during the period, with each project immediately stepping into the first class in the local market. Among them, Lanzhou MIXC, as the first third-party luxury project, outperformed expectations in terms of tenant sourcing, rental income and project influence, setting a new benchmark for light-asset management of luxury shopping malls. The Company propose to open 10 new shopping malls in the second half of the year, continuously expanding the scale of shopping malls in operation.

2023/4/26

2023/5/19

2023/6/18



Occupancy rate: **82%**

Opening day's retail sales: RMB**10.67**million

Opening day's total foot traffic: **67,000** people

Brands debut: **88**



Occupancy rate: **100%**

Opening day's retail sales: RMB**10.66** million

Opening day's total foot traffic: **75,000** people

Brands debut: **37**



Occupancy rate: **93%**

Opening day's retail sales: RMB**15.99** million

Opening day's total foot traffic: **201,000** people

Brands debut: **74**

Commercial Management Business – Shopping Malls

Leveraging multi-channel acquisition advantages, actively expanding new tracks of business operation: 7 projects were successfully signed during the period, with an average GFA of 101,000 sq. m., all of which were TOD projects in first-tier and second-tier cities. The Company opened up new channels to collaborate with an overseas real estate fund for the first time and launched Shanghai Crystal Galleria project. We also solidified a strategic partnership with China West Airport Group, targeting airport commercial operation projects to explore airport commercial new track.

High-quality third-party expansion projects

	1H23	Listing date to the end of 1H23
Number of projects	7	32
GFA (10,000 sq. m.)	71	310
Average area of a single project (10,000 sq. m.)	10.1	9.7
Proportion of TOD projects	100%	84%
Proportion of projects in first-tier and second-tier cities	100%	97%
Proportion of existing projects	43%	41%

Shanghai Crystal Galleria Project

- The first collaboration with an overseas real estate fund
- The GFA exceeding 70,000 sq. m.
- Located in the core commercial area near Jing'an Temple of Shanghai



China West Airport Group Project

- Enter the new track of airport commercial operations
- Steady increase in the number of airports with huge potential
- High rental yield per sq. m. in airport commercial spaces

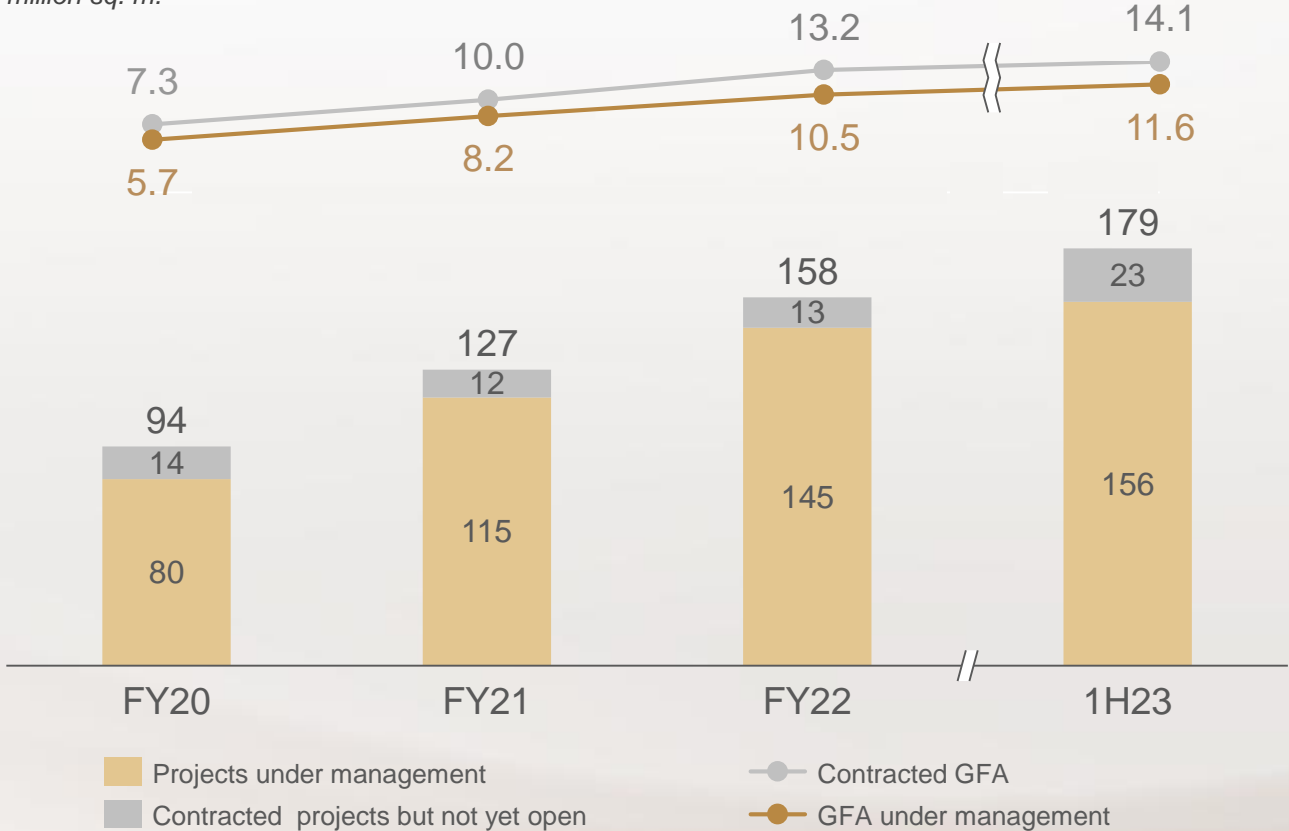


Commercial Management Business – Office Building

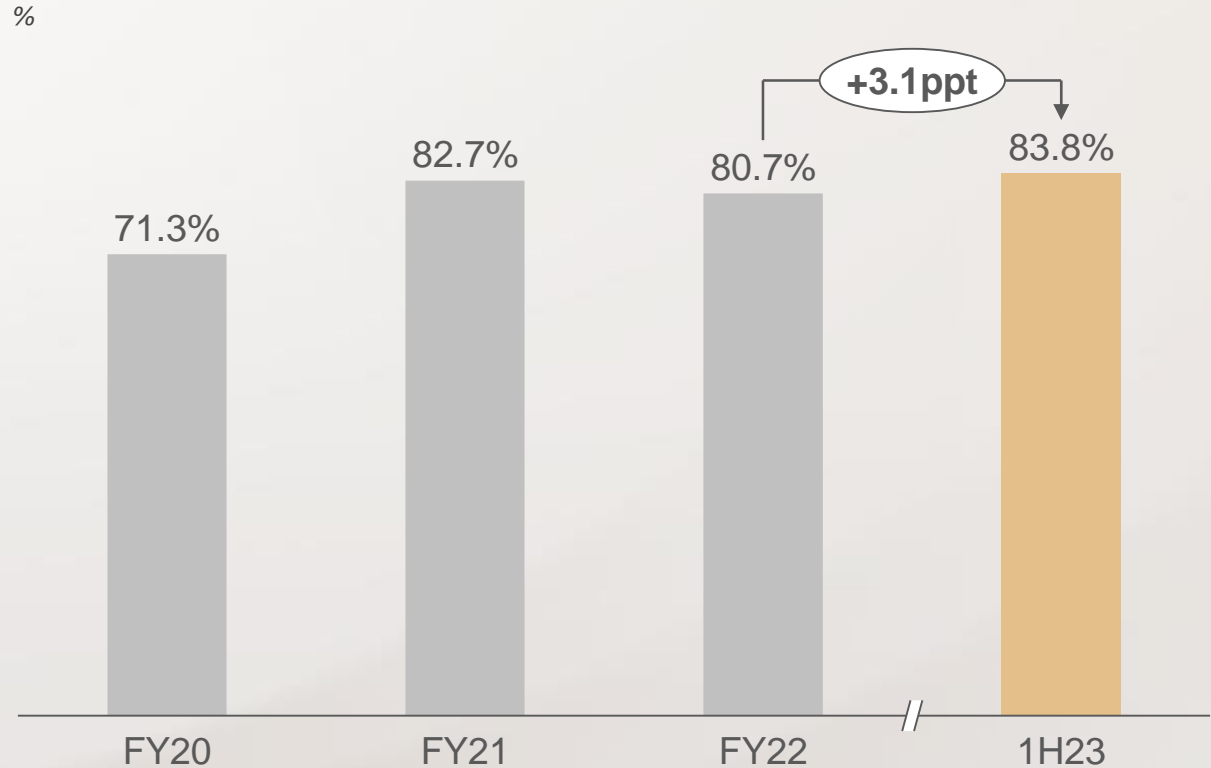
Accelerating expansion of property management business in office building, the occupancy rate increased against the market trend: During the period, there were 21 new contracted projects for property management in office building, with a new contracted GFA of 950,000 sq.m.. At the end of the period, there were a total of 156 projects under management, covering a GFA under management of 11.64 million sq.m., with a contracted GFA of 14.14 million sq.m.. Against the challenging market environment of rising vacancy rates in office building, the average occupancy rate of the 26 projects operated by the Company increased by 3.1ppt to 83.8% compared to 2022, with an average rental income growth of 1.6% YoY.

Commercial operation and property management projects – quantity and GFA of projects under management & contracted projects

million sq. m.



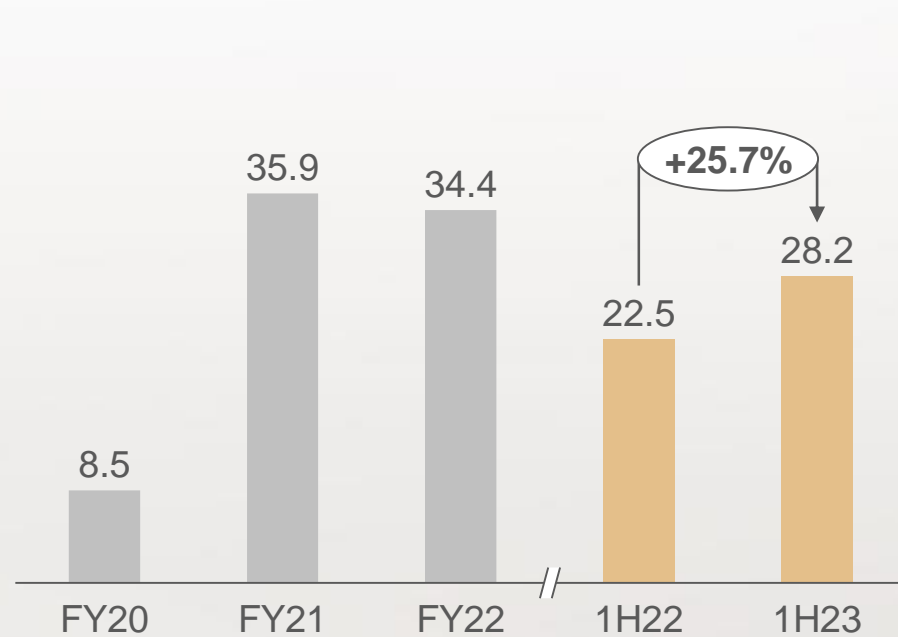
Occupancy rate



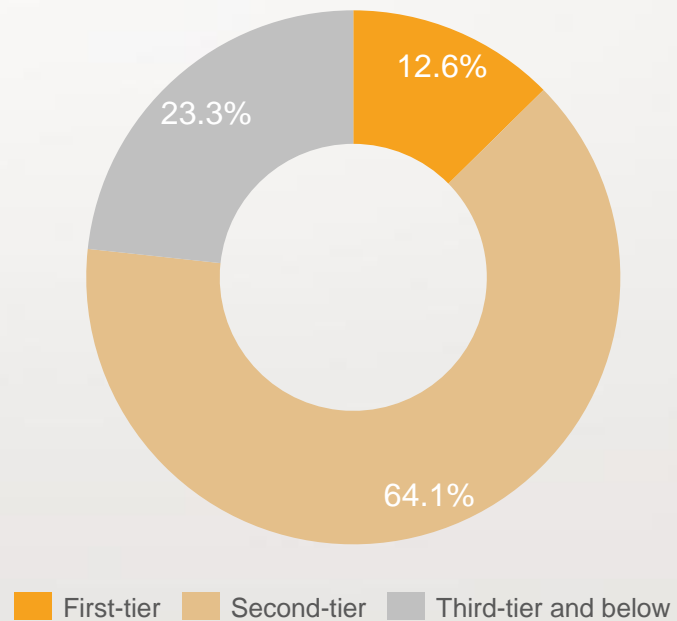
Property Management Business – Growth in Scale

Pursuing quality growth in scale by sticking to investment hurdle rate: In the midst of a periodic adjustment in the real estate industry, the growth rate of the property management industry has significantly slowed down. The Company insists on pursuing quality scale growth. During the period, an increase of 28.25 million sq.m. of third-party contracted area was achieved through direct bidding and joint ventures, with 76.7% located in first and second-tier cities. Among them, the proportions of urban public space, community living space and office space in terms of area were 84.1%, 13.3% and 2.6% respectively.

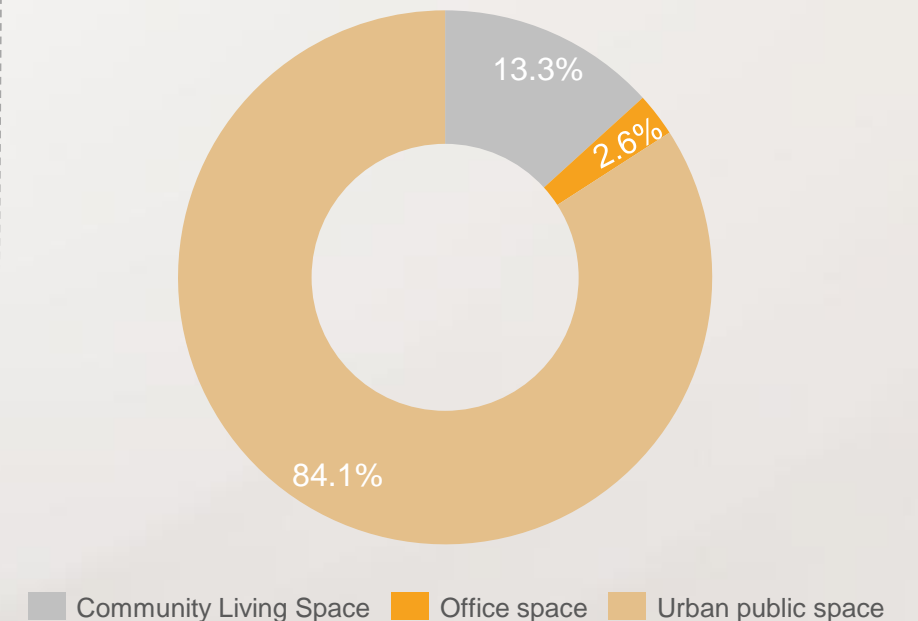
Newly added third-party contracted area*
million sq. m.



Tier of cities for newly added third-party contracted area*



Classification of newly added third-party contracted area*



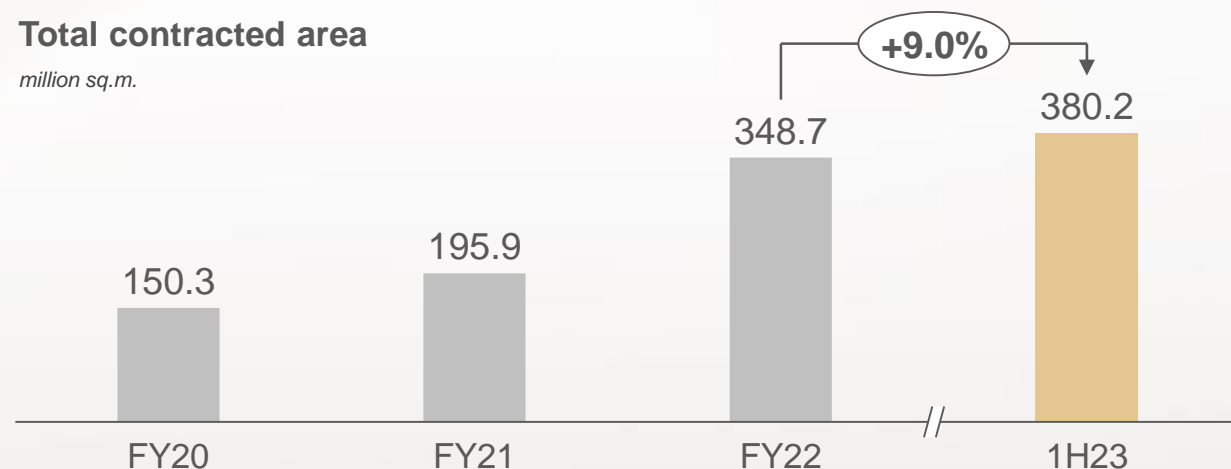
*including newly contracted projects in the current year, excluding renewed third-party projects that expired in the current year, and excluding mergers and acquisitions.

Property Management Business – Growth in Scale

Scale under management maintained growth, and the proportion of both third-party contracted area and third-party area under management continued to increase: As of the end of the period, the total contracted area was 380.2 million sq.m., and the total area under management was 324.8 million sq.m., representing an increase of 9.0% and 11.8%, respectively, as compared with the end of 2022. The proportion of third party contracted area and area under management were 61.6% and 59.2%, respectively, representing an increase of 0.4ppt and 1.6ppt, respectively, as compared to the end of 2022.

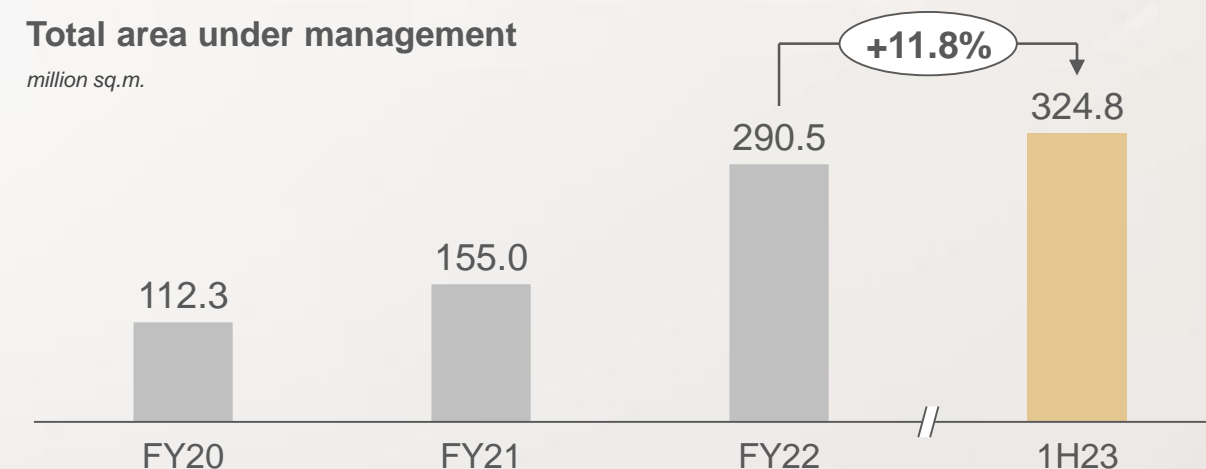
Total contracted area

million sq.m.

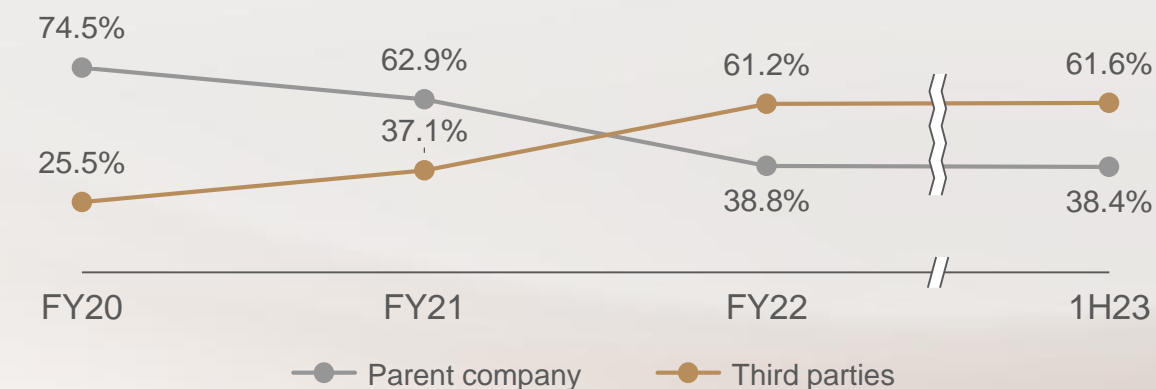


Total area under management

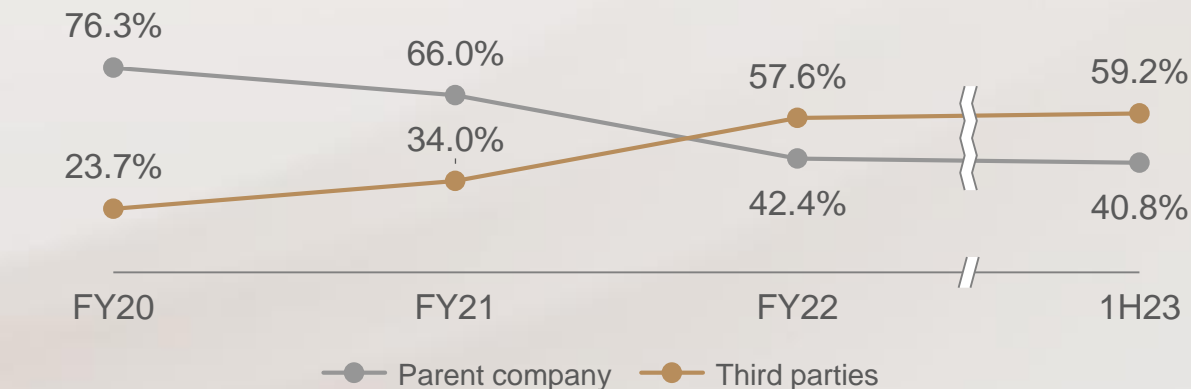
million sq.m.



Percentage of contracted area: parent company vs. third parties



Percentage of area under management: parent company vs. third parties



M&A – Post-investment Integration

Comprehensive integration and strategic reshaping of Zhongnan Services and Yuzhou Property projects: Through a process of "top-down organizational integration, bottom-up emotional integration, and parallel business integration", Zhongnan Services and Yuzhou Property successfully realized a comprehensive reshaping of their value, business, organization and ethos, which has laid a solid foundation for post-investment performance and future M&A deals.

Reshaping Value

Operating efficiency improvement and investment objectives achievement

1H23	Consolidated revenue	Consolidated net profit	Comprehensive gross profit margin
Zhongnan Project	RMB630 million	RMB79 million	24.8%
Yuzhou Project	RMB278 million	RMB30 million	20.2%
Total	RMB908 million	RMB109 million	-

Reshaping Organization

Integration of organizational structure and augmentation of talent advantages



- The original headquarters of Zhongnan and Yuzhou, along with regional platforms and projects were seamlessly incorporated into the organizational structure of CR MIXC, with the addition of **3** new municipal branches in Hefei, Hangzhou, and Xiamen
- Their existing personnel were strategically allocated based on principles of optimal selection and deployment, resulting in the integration of **over 7,000** employees

Reshaping Business

Introduction of CR MIXC's system to achieve "triple ascent and dual descent" transformation

Introduction of CR MIXC's system



Reshaping Ethos

Cultural ideals disseminated with spirit holding inside hearts of people

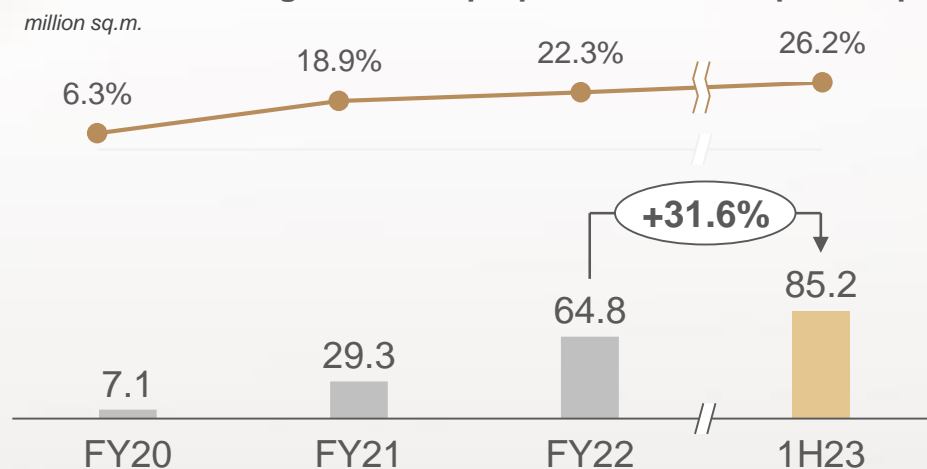


- Advocating cultural leadership and ideals guidance
- "In-depth, vertical to the bottom and transverse to edge" publicity of CR history, corporate DNA and culture, covering **all** the employees from Zhongnan and Yuzhou

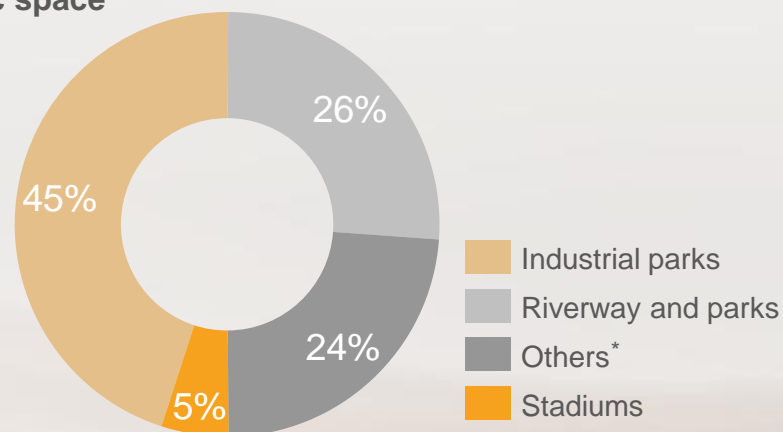
Property Management Business – Structural Optimization

The structure of area under management continued to be optimized, and the strategic positioning of “urban space operational service provider” was **consolidated**: The area under management of urban public space increased by 31.6% to 85.20 million sq.m. as compared with the end of 2022, representing an increase of 3.9ppt to 26.2% of the total area under management, among which, the area under management of industrial parks, riverway & parks and stadiums accounted for 45%, 26% and 5%, respectively. During the period, the Company won the Yuehai Street property management project in Shenzhen, created a flagship project for multi-format space operation services, and continued to build a city space operational service system covering the whole region, all fields, cycles and elements.

Area under management and proportion of urban public space



Classification of area under management in urban public space



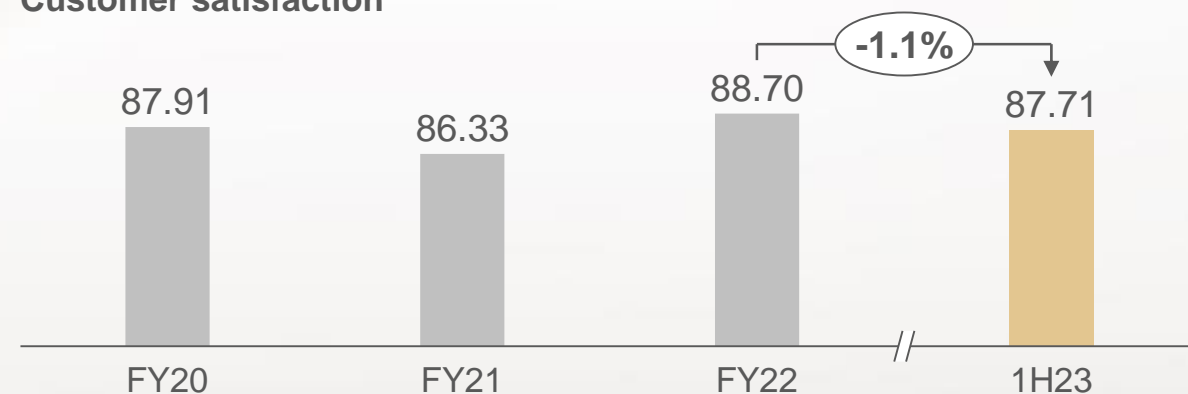
* Including streets, schools and other businesses.



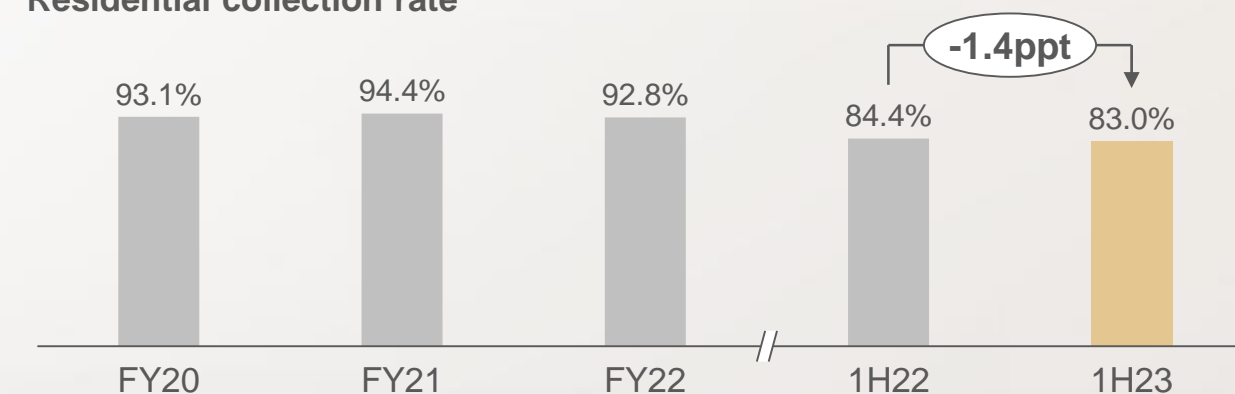
Property Management Business – Service Quality

Restructuring the ranking system of property management services and promoting the community operation to realize the value transformation in service quality: With the goal of “customer orientation, service differentiation, quality and price alignment, and practical execution”, the ranking system of property management services was restructured. The Company has launched the annual theme activity "Quality Renewal, Good Neighborhood" to promote the renovation of community spaces and initiate community operation development. The customer satisfaction during this period was 87.71, maintaining a leading position in the industry, while the collection rate slightly decreased by 1.4ppt to 83.0%. In the second half of the year, the Company will implement effective management measures to achieve the annual collection rate target.

Customer satisfaction *



Residential collection rate *



“Quality Renewal, Good Neighborhood” annual theme activity



3,336 events were held nationwide

Blissful Summer Theme Activity in Progress



* Excluding the merger and acquisition projects of Yuzhou and Zhongnan.

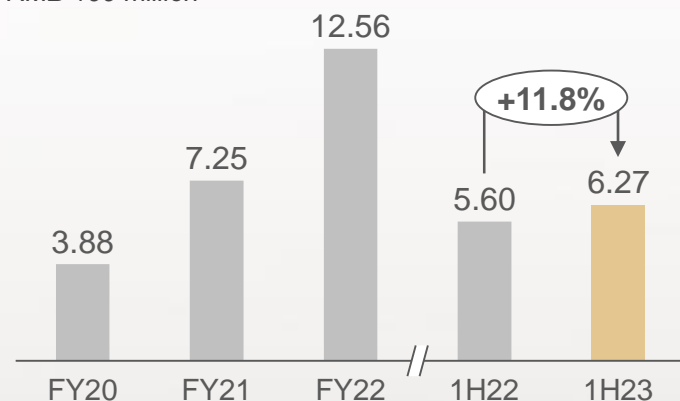
Property Management Business – Community

Value-added Services

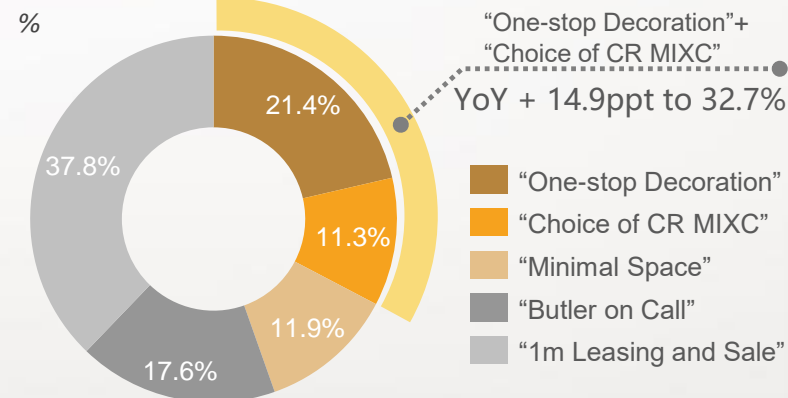
Optimizing revenue structure with resource advantages and continuously extending the boundaries of value-added services: Relying on the advantageous industrial resources of CR Group and CR Land, the Company expanded and strengthened the “One-stop Decoration” and “Choice of CR MIXC” businesses. The revenue from which increased by 106.1% YoY to RMB205 million, accounting for an increase of 14.9ppt to 32.7%. As a result, the revenue from community value-added services increased by 11.8% YoY to RMB627 million. By actively expanding the boundaries of value-added services, the revenue from value-added services in urban public spaces increased significantly by 192.9% to RMB 56 million.

Revenue from community value-added services

RMB 100 million

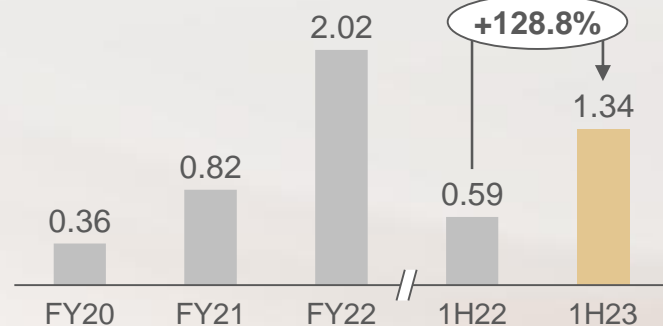


Classification of revenue from community value-added services



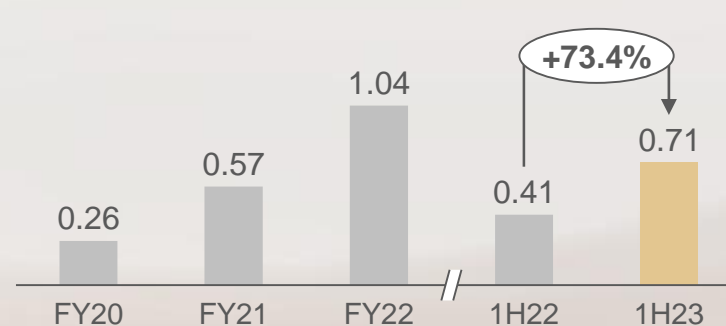
Revenue from “One-stop Decoration”

RMB 100 million



Revenue from “Choice of CR MIXC”

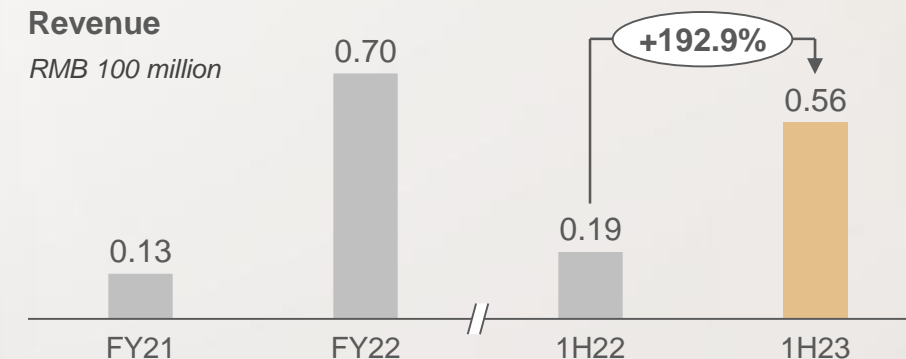
RMB 100 million



Value-added services in urban public spaces

Revenue

RMB 100 million



- Providing consulting, tenant sourcing and operation, venue leasing, event support and other services



Planning and organizing city-level activities and events with an annual average of over 300 events



Responsible for park operation, including commercial operation (book bar, tea house, tree house, etc.) and holding of cultural activities, etc.

Property Management Business – Urban Space Service Case

Completed the event support service of Chengdu Universiade with “international standards, absolute safety, infallible and perfect service”, and the service capability of supporting large-scale events and exhibitions was recognized again: The Company has provided event support service for a number of important events. At the Chengdu Universiade, a team of more than 1,200 participants was set up to innovate a refined and grid-based management system to safeguard this event.

Deeply cultivating the service fields of supporting events and exhibitions, and escorting many important events and exhibitions

	Shenzhen 26 th Summer Universiade	Xi'an 14 th National Games	Chengdu 31 st Summer Universiade	Hangzhou 19 th Asian Games	Chengdu Word SF Convention
Time	08/2011	09/2021	07/2023	09/2023	10/2023

Fully safeguarded the Chengdu Universiade



Order Team conducted daily fire prevention and flood inspections

Cleared the accumulated water on over ten thousand sq. m. by heavy rain in just 28 minutes



Engineering Team ensured the safety, reliability and stable operation of mechanical and electrical facilities and equipment, provided power support for opening ceremonies, swimming competitions and gymnastics events, etc.

Guaranteed a clean FOP area for gymnastics events to support athletes perform at a high level

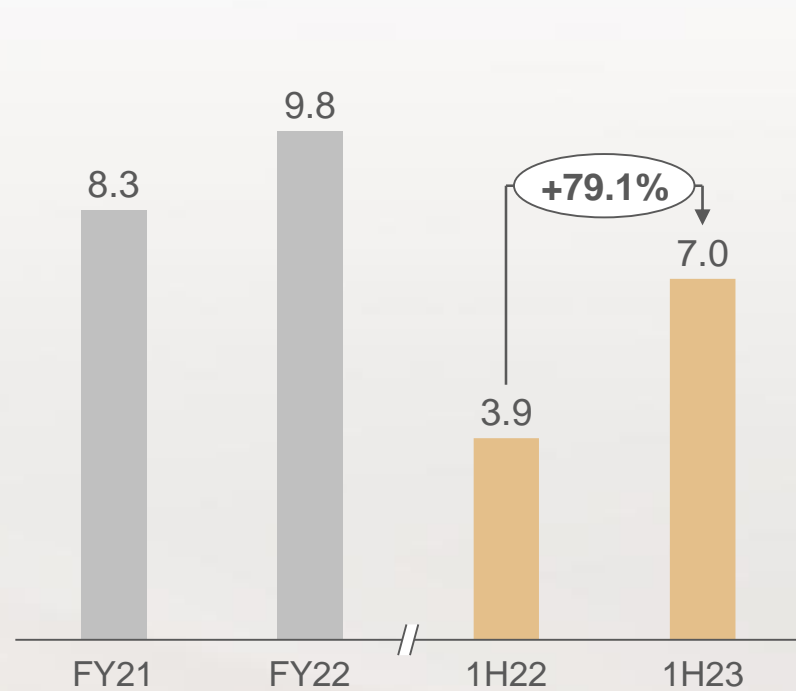


Established an Environmental Protection Team specifically for swimming competitions, doubled efficiency one month before the competition

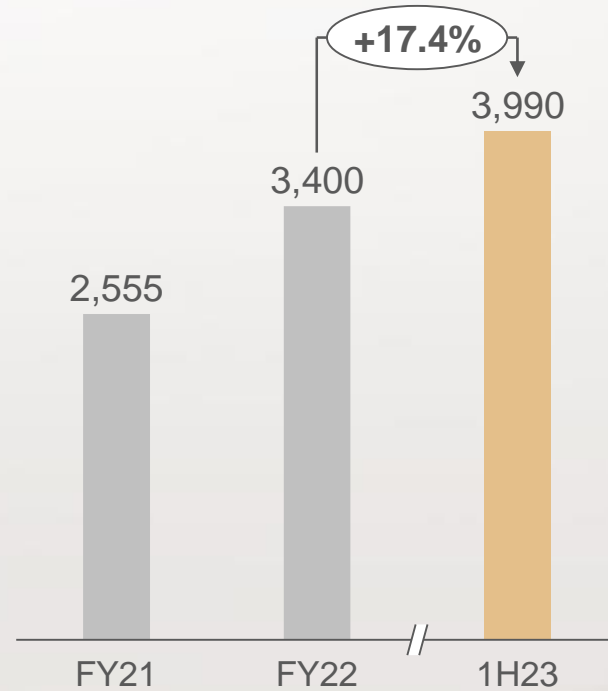
Membership

Continuously enriching the membership system, accurately attracting traffic to strengthen growth momentum: Deepen business scene connections with various scenarios, integrate the MIXC POINT brand image into annual marketing events, and promote cross-channel collaboration in marketing, commercial business, and property management business. The number of members and the bonus points reached a new high, with a 17.4% increase to 39.9 million people compared with the end of 2022, and the total amount issued and redeemed by MIXC POINT increase by 79.1% YoY to RMB0.70 billion.

Amount issued and redeemed by MIXC POINT during the period
RMB 100 million



Total number of members
Ten thousand members



Planned multi-format collaborative activities in cities such as **Nanjing, Chongqing, and Guiyang**, including customized MIXC POINT rewards for marketing cases, granting commercial membership card status for property purchases, and mutual sharing of commercial and marketing rights

Technology Empowerment

Accelerated digital transformation achieved visible achievements: The commercial management business achieved online management throughout the project life cycle, improving customer service efficiency through technologies such as AI bonus point recognition and natural language dialogue. The Company fully promoted the self-developed comprehensive property management full-service system "Zhaoxi", realizing comprehensive online management of the main operations for property employees and basic customer services. Simultaneously, comprehensively upgraded the property fee collecting system, achieving comprehensive online payment and automation and integration of business, finance, tax, and payment.

Empowering Commercial Management Business

Supporting management to improve quality and efficiency

- ✓ Support the tenant sourcing business to **efficiently compare and analyze** the rent level of each brand, business format and project, and adjust the tenant sourcing strategy in a timely manner
- ✓ Realize **online standardized process management** of tenants from store decoration to daily operation and personnel training



- ✓ From 0 to 1, covering core operation scenarios, and improving employee operation efficiency and service level through **online management and mobile office**



Creating excellent customer experience

- ✓ **7 * 24** all weather service with **90%** accuracy rate of response to frequently asked questions
- ✓ Supporting the function of **voice** quick calling for point collection and car park view



- ✓ Gradually achieve point collection through **real-time** receipt scanning
- ✓ With the single receipt **real-time** point collection, the billing time was shortened from a longest hour to a fastest **second**



Boosting commercial management performance



E-MIXC

- ✓ E-MIXC registered members increased by **38%** YoY to **33.19 million**



Marketing portrait platform

- ✓ The marketing portrait platform connects multi-business data, combines with predictive models, brand customer group analysis, geographical exploration, etc., to further improve refined operation capabilities for members. The conversion rate of single activity exceeded **30%**

Empowering Property Management Business

Accelerating digital coverage

- ✓ Launched online tools such as planning tasks and work orders at employee-side to improve the efficiency of **core operation scenarios**
- ✓ Provided convenient and smart services at the customer-side for nearly **1.5 million** property owners
- ✓ Established a digital operation system for property owners, and supported **737** online activities across the country, served **290,000** property owners



- ✓ Collection of basic property charges and value-added services **integrating business, finance, tax and payment**
- ✓ **Automatic billing, reconciliation, writing off**, significantly improve the work efficiency and quality of front desk, steward, finance and other employees
- ✓ Connected the "Zhaoxi" App and home service to realize **online payment** of property management fees, parking fees and value-added service fees, improving the payment experience of property owners



Property charging system

Extending touchpoints for homeowner services

- ✓ Focusing on the life-cycle needs of property owners, we create **neighborhood community** to improve the retention and stickiness of property owners with content and interaction, laying foundation for leveraging value-added services among users



- ✓ Break business barriers, explore **joint operation of commercial business**, introduce commercial brand resources to extend service, and provide high-quality value-added service rights for **over 21,000** property owners



Organizational Effectiveness and Talent Development

To meet the needs of business development, built a talent supply chain that effectively supports business development: By deepening organizational reform and improving management efficiency, the average GFA under management of each municipal branch increased by 35%, and the per capita GFA under management of commercial and property management increased by over 10%. The Company continued to build a stable and high-quality talent team, with 96% and 87% of employees holding a bachelor's degree or above in major management positions in commercial and property management sectors, respectively. During the period, 392 fresh graduates were recruited, which comprehensively carried out talent empowerment and training, built a talent team and supported the Company's future business development. The market-oriented reform of remuneration incentives will stimulate organizational vitality and self-motivation of employees.

Reshape the organization to improve efficiency

- Upon the integration of Yuzhou and Zhongnan, the number of municipal branches was adjusted from 10 to **12**, and the **average GFA under management** of each branch **increased by 35%** as compared with 2022
- Reshaped the tenant sourcing system of commercial management business, and strengthened the tenant sourcing platform of the headquarters and regional companies
- Improved personnel allocation, and the **per capita GFA under management** of commercial and property management **increased by over 10%**

Optimize distribution and adapt to business

- **Optimization of incentive mechanism:** Market-oriented incentives to frontline and key positions
- Promoted the **optimization of salary structure**, stimulated key business positions to further achieve performance breakthroughs, and adjusted to the forms of “monthly salary + commission” for employees in property marketing and office leasing to achieve precise incentives

Upgrade Talents and build a strong Team

- Above **96%** and **87%** of commercial and property management staff in major management positions hold a bachelor's degree or above, respectively
- Launched the “winning plan” for external recruitment of project managers to strengthen the team
- Initiated a three-year training plan for school enrollment, and recruited **392** people at campus during the period
- Vigorously build an online learning platform and gradually form the mandatory courses for various majors, **29,000** people majoring in commercial and property management completed the course
- Held **87** MIXC public courses to promote cross-professional and cross-business thinking among employees



Learning map of front-line property management employees in shopping malls

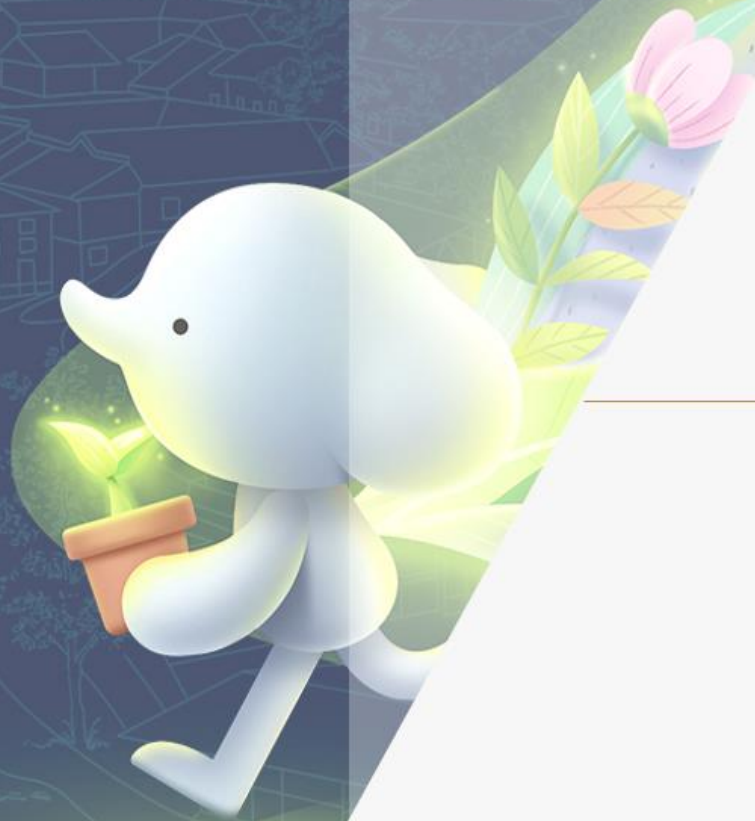


“Future Star” New Employee Training Camp



万象守护 爱育希望

南江华润希望小镇
公益助学活动启动仪式



04

ESG

Environmental, Social and Corporate Governance

Improving the governance structure and information disclosure: The Board of Directors has established Sustainability Committee to improve the ESG governance structure. Strengthening the disclosure of ESG information, 2022 Sustainability Report was issued, which was rated as "five-star" for the first time. The performance of the third-party rating was positive, the Company was awarded the "Low Risk" in Sustainalytics rating and "ESG Regional Top Rated (Asia Pacific area)" by Morningstar, while the MSCI rating was maintained at "BBB". The Company was selected as one of the "China ESG Listed Companies Pioneer 100" by CCTV.

Improving ESG governance structure



"Five-star" rating for the Sustainability Report

- ▶ Under the theme of "EXTRAORDINARY NEW CHAPTER, THRIVING FOR EXCELLENCE", the report focuses on five major areas, namely, MIXC lifestyle ecosystem, people centricity, mutual-winning partnership, green environment and business integrity, to enhance the characteristics of the enterprise.
- ▶ The indicators of the Report cover 141 of the 153 indicators of the "Guidelines for Corporate Social Responsibility Reporting of China (CASS-ESG 5.0)", including 48 quantitative indicators and 93 qualitative indicators. The disclosure rate reached **92.16%**, representing an increase of **7.12%** as compared with the previous year, with excellent performance in integrity.
- ▶ Internal and external stakeholders were invited to participate in the materiality assessment of issues through communication and survey, questionnaire survey and other methods, and a total of **7,062** questionnaires were collected.
- ▶ The report was rated as "Five-star" by the Chinese Expert Committee on CSR Report Rating.

Positive third-party rating



- ▶ The Company was rated by MorningStar with "low risk" and the first to receive the "ESG Regional Top Rated" (Asia Pacific Leadership).



- ▶ The Company achieved a higher score in health and safety, labor management and other issues, and maintained the overall "BBB" rating, ranking medium among the industry.



- ▶ In June 2023, the Company was selected as one of the "China ESG Listed Companies Pioneer 100" by CCTV, becoming one of the six companies under CR Group.

Implementing green and low-carbon strategies, actively promoting energy conservation and emission reduction: Establishing a Dual-carbon work leadership group and an execution Team, comprehensively and systematically advancing the implementation of the dual-carbon strategy. Multiple shopping malls and office buildings have initiated green and low-carbon transformations and photovoltaic construction. During the period, 11 new green malls were added, with the Nanjing MIXC World's efficient refrigeration plant construction and management being nominated for the "China Green Point. Sustainable Practice Case" award.

Photovoltaic construction

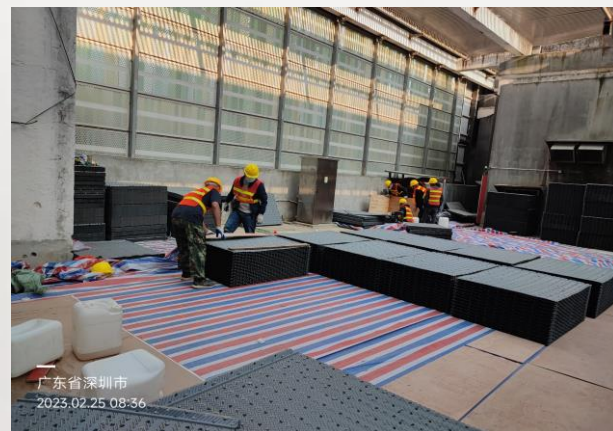
The photovoltaic construction of Rizhao MIXC ONE, Zhengzhou MIXC ONE, Zibo MIXC ONE, Nanchang MIXC commenced, and Wuxi MIXC initiated project proposal. Upon completion of the construction of the above photovoltaic system, it is expected that **9,000,000 kWh** of green electricity can be added per year, achieving further optimization of energy structure



The rendering of Wuxi MIXC PV project

Energy saving of air conditioners

The Company carried out the energy-saving transformation of central air-conditioning for commercial projects such as Taiyuan MIXC, Shenzhen Bay MIXC and Xiamen MIXC, and completed the upgrading and transformation of intelligent control of cold station, change flow of cooling tower and optimization of water resistance system, with an estimated energy saving of **8,000,000 kWh/year**.



Shenzhen Bay MIXC Air-conditioning Renovation

Shading and heat insulation

Completed centralized procurement of shading coating, and it is expected that more than ten new projects such as Hangzhou MIXC and Nantong MIXC will complete shading transformation within the year



Centralized procurement of lighting roof shading coating

Smart lighting

Xiaoshan MIXC ONE completed the transformation of the Internet of Things lighting in the garage, realizing the function of lighting in advance, intelligent and smooth light-adjusting between people and vehicles, saving **250,000 kWh/year** of electricity



Renovation of IoT lighting in Xiaoshan MIXC ONE garage

Environmental, Social and Corporate Governance

Strengthen the construction of social responsibility work system and consolidate the achievements of rural revitalization: The Company released the CR Mixc responsibility brand "Mixc Guardian", focusing on four major areas of low-carbon and environmental protection, rural revitalization, community care and public responsibility, and coordinated the implementation of issues and resource synergy. During the period, the "Red Housekeeper" took over CR Hope Village in Xibaipo, Zunyi and Nanjiang and provided property management service for 10 CR Hope Villages in total to continuously promote rural revitalization.

Publishing the Responsibility Brand "Mixc Guardian"



- **Protect the Earth and Love Nature:** Focusing on low-carbon, environmental protection, biodiversity, climate change, green development and other issues, and coordinate social forces to promote the harmonious coexistence of human and nature.
- **Guarding the countryside and raising hope with love:** Through participating in rural governance, grafting industrial resources, and implementing public welfare projects, promote the rural economy, governance and ecological development of CR Hope Village and counties supported by local government.
- **Protecting the community and showing love and care:** Strengthen community care, and continue to carry out care plans for specific groups of people such as the elderly living alone and the disabled and the builders of first-tier cities.
- **Guarding home, love beyond storms:** Fulfill public responsibility, participate in public emergency, rescue and disaster relief and other volunteer activities, and contribute to the response to social public issues.



"Red Housekeeper" has newly entered 3 CR Hope Villages

Newly entered Xibaipo, Zunyi and Nanjiang's CR Hope Village and provided property management service for **10** CR Hope Villages in total.



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