



華潤萬象生活有限公司

China Resources Mixc Lifestyle Services Limited

(Stock Code 股份代號: 01209.HK)

MIXC
2023
全年業績發佈會
ANNUAL RESULTS ANNOUNCEMENT

變革向新
共鑄非凡

Embracing the Future

Building the Extraordinary

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MMIX

1 Performance Highlights



Yuehai Street, Shenzhen

Performance Highlights

Seizing structural opportunities to pursue high-quality development while continuously enhancing shareholders' return.

Revenue

RMB **14.767** billion

YoY +22.9%



Retail sales of shopping malls

RMB **181.2** billion

YoY +43.3%



Total GFA under property management

370 million sq.m.

+24.6% as compared to the end of 2022



Core net profit

RMB **2.920** billion

YoY +31.2%



NOI margin of shopping malls

64.7%

YoY +5.0 ppt



Newly acquired contracted third-party areas through bidding & direct expansion³

55.31 million sq.m.

YoY +87.0%



Dividend per share for the year

RMB **0.704**

YoY +60.4%



Newly acquired third-party shopping malls

14

Total GFA of **1.26** million sq.m.



Gross profit margin of property management business

17.5%

YoY -1.4 ppt



Operating cash flow ratio

20.6%

YoY +4.9 ppt



Number of members

46.25 million

+36.0% as compared to the end of 2022



Revenue from community value-added services

RMB **1.526** billion

YoY +21.5%



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

2: Unless otherwise specified, the core net profit in this report refers to core net profit attributable to shareholders.

3: Exclusively including newly contracted projects in the current year, excluding renewed third-party projects that expired in the current year.

2 Financial Review

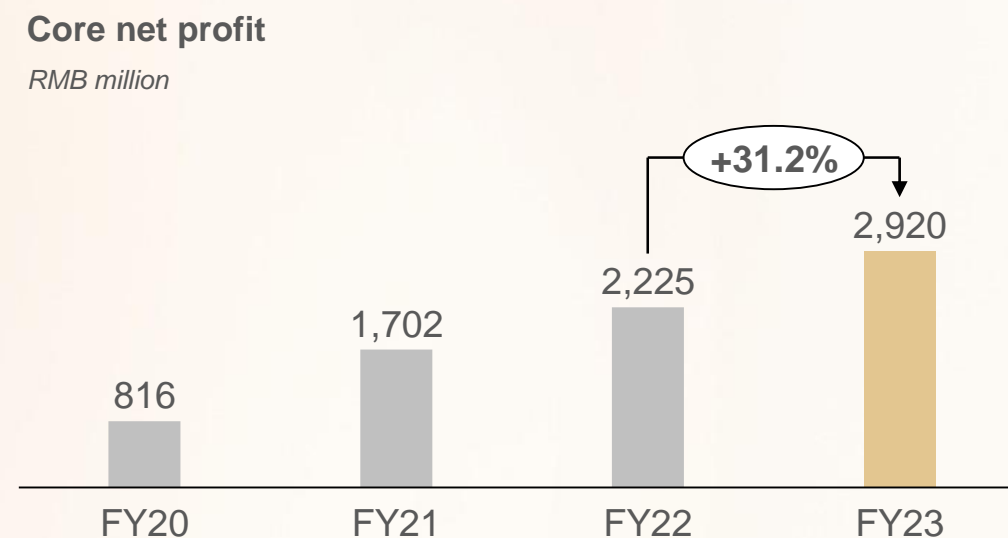
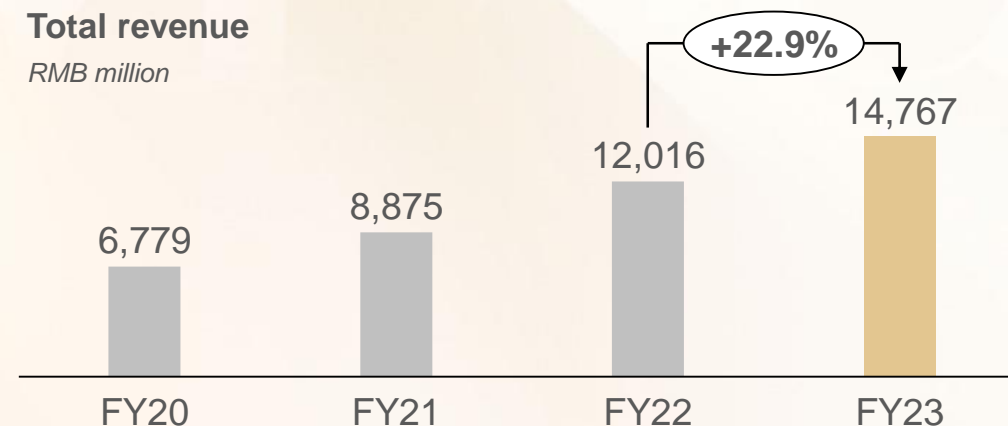


Xi'an Chang'an Yue · Belt and Road Initiative Culture and Art Center

Profit and Loss Statement

The "cost reduction, quality improvement and efficiency enhancement " initiatives have shown remarkable results, with core net profit continuing to grow rapidly: Total revenue increased by 22.9% YoY to RMB14.767 billion, and core net profit increased significantly by 31.2% to RMB2.920 billion. Promoting lean management of expense through benchmarking, the management and sales expense ratio decreased by 1.6 ppt YoY to 8.4%.

RMB' million	FY23	FY22	Change
Revenue	14,767	12,016	22.9%
Property Management business	9,601	7,802	23.1%
Commercial Management business*	5,166	4,214	22.6%
Gross profit	4,694	3,611	30.0%
Property Management business	1,678	1,473	13.9%
Commercial Management business*	3,016	2,138	41.1%
Gross profit margin	31.8%	30.1%	1.7 ppt
Property Management business	17.5%	18.9%	-1.4 ppt
Commercial Management business*	58.4%	50.7%	7.7 ppt
Management and sales expense	1,235	1,204	2.5%
Management and sales expense ratio	8.4%	10.0%	-1.6 ppt
Net profit attributable to shareholders	2,929	2,206	32.8%
Core net profit	2,920	2,225	31.2%
Core net profit margin	19.8%	18.5%	1.3 ppt
Earnings per share	1.283	0.967	32.8%
Dividend per share for the year	0.704	0.439	60.4%



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

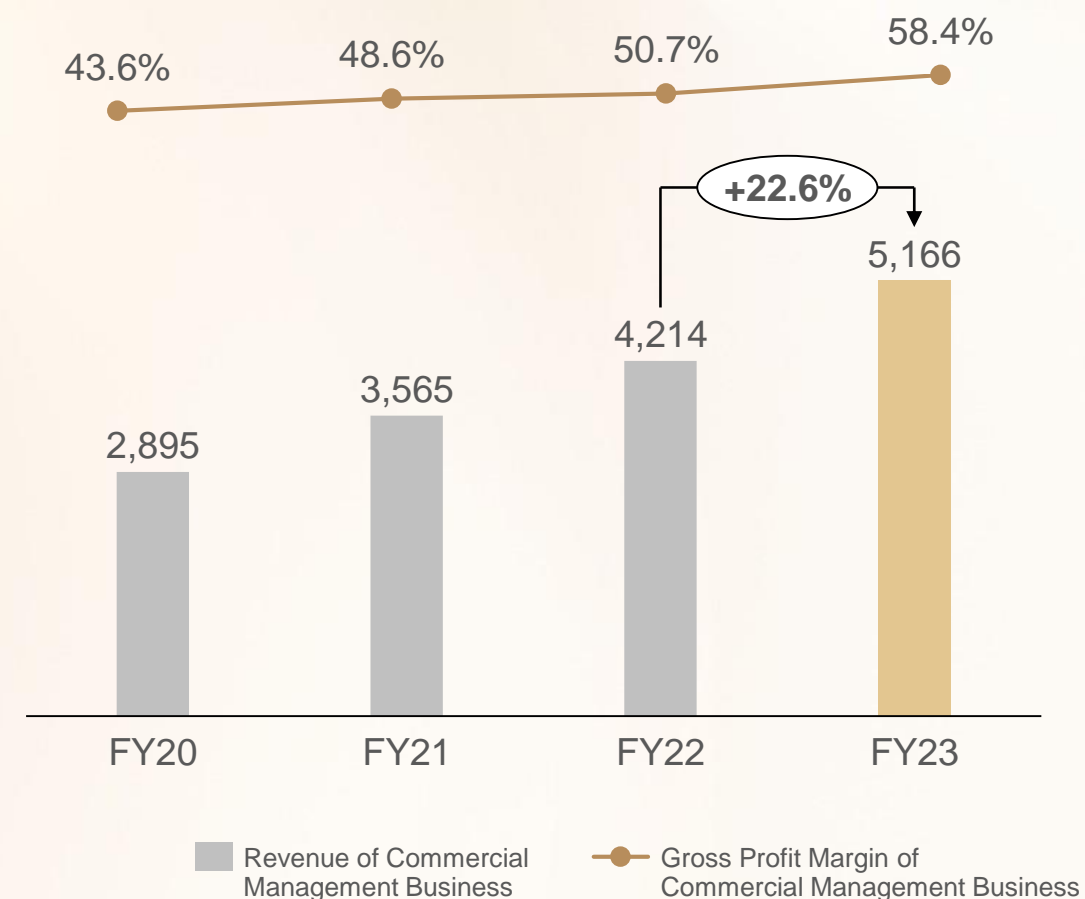
Revenue and Gross Profit Margin of Commercial Management Business

The positive feedback loop of scale, efficiency and capability further strengthened the operating leverage effect of commercial management business, **revenue growth drove stable increase in gross profit margin**: Revenue of commercial management business increased by 22.6% YoY to RMB5.166 billion, and gross profit margin increased by 7.7 ppt YoY to 58.4%.

RMB' million	FY23	FY22	Change
Revenue	5,166	4,214	22.6%
Shopping malls	3,238	2,482	30.5%
<i>Shopping Malls -operation</i>	2,204	1,660	32.8%
<i>Shopping Malls -property management*</i>	430	457	-6.0%
<i>Shopping Malls -sub-leasing</i>	604	365	65.4%
Office	1,928	1,732	11.3%
<i>Office -operation</i>	132	127	4.5%
<i>Office-property management</i>	1,796	1,605	11.9%
Gross Profit Margin	58.4%	50.7%	7.7 ppt
Shopping Malls	71.9%	62.4%	9.5 ppt
<i>Shopping Malls -operation</i>	76.4%	64.4%	12.0 ppt
<i>Shopping Malls -property management</i>	54.9%	50.4%	4.5 ppt
<i>Shopping Malls -sub-leasing</i>	67.7%	68.3%	-0.6 ppt
Office buildings	35.6%	34.1%	1.5 ppt
<i>Office -operation</i>	79.7%	70.0%	9.7 ppt
<i>Office -property management</i>	32.4%	31.2%	1.2 ppt

Revenue and Gross Profit Margin of Commercial Management Business

RMB million



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

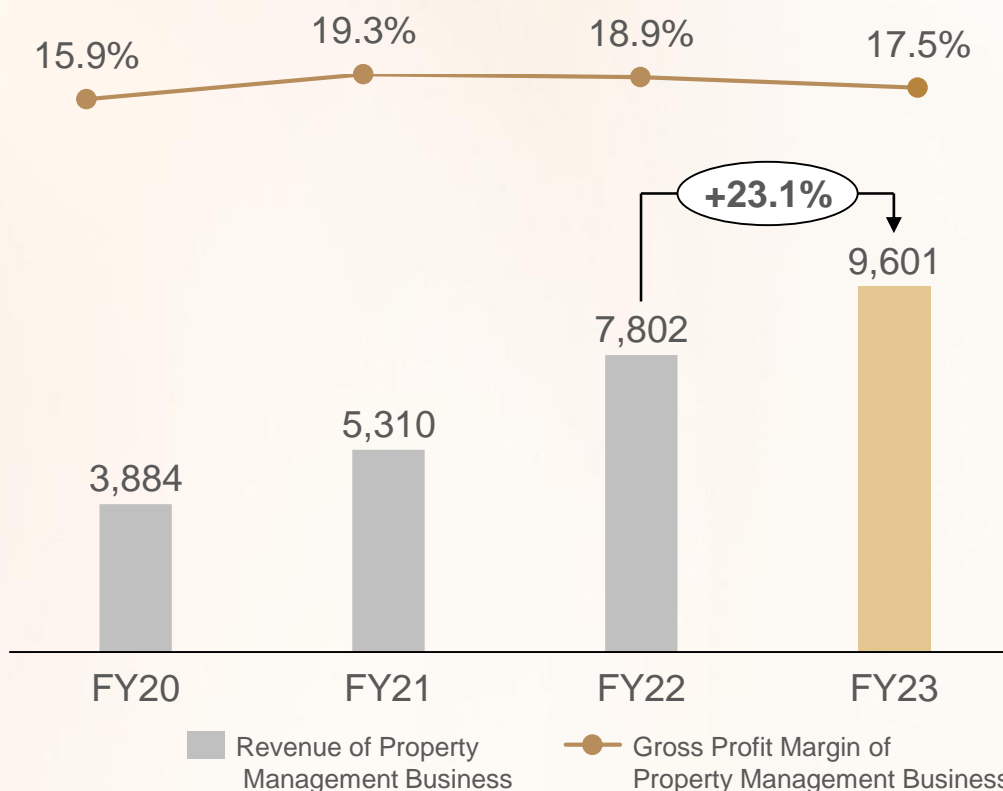
Revenue and Gross Profit Margin of Property Management Business

Scale expansion drove revenue growth, while high-quality services realized value transformation: Revenue of property management business increased by 23.1% YoY to RMB9.601 billion. Overall gross profit margin decreased by 1.4 ppt YoY to 17.5% due to the combined effects of increased investment in quality improvement and the decrease in the proportion of revenue from value-added services to non-property owners. The improved quality of basic property services achieved value transformation, while revenue of community value-added services increased by 21.5% YoY to RMB1.526 billion, maintaining a stable gross profit margin.

RMB' million	FY23	FY22	Change
Revenue	9,601	7,802	23.1%
<i>Basic property services</i>	7,246	5,573	30.0%
<i>Value-added services to non-property owners</i>	829	973	-14.8%
<i>Community value-added services</i>	1,526	1,256	21.5%
Gross Profit Margin	17.5%	18.9%	-1.4 ppt
<i>Basic property services</i>	13.6%	14.0%	-0.4 ppt
<i>Value-added services to non-property owners</i>	34.3%	36.5%	-2.2 ppt
<i>Community value-added services</i>	26.7%	26.6%	0.1 ppt

Revenue and Gross Profit Margin of Property Management Business

RMB million

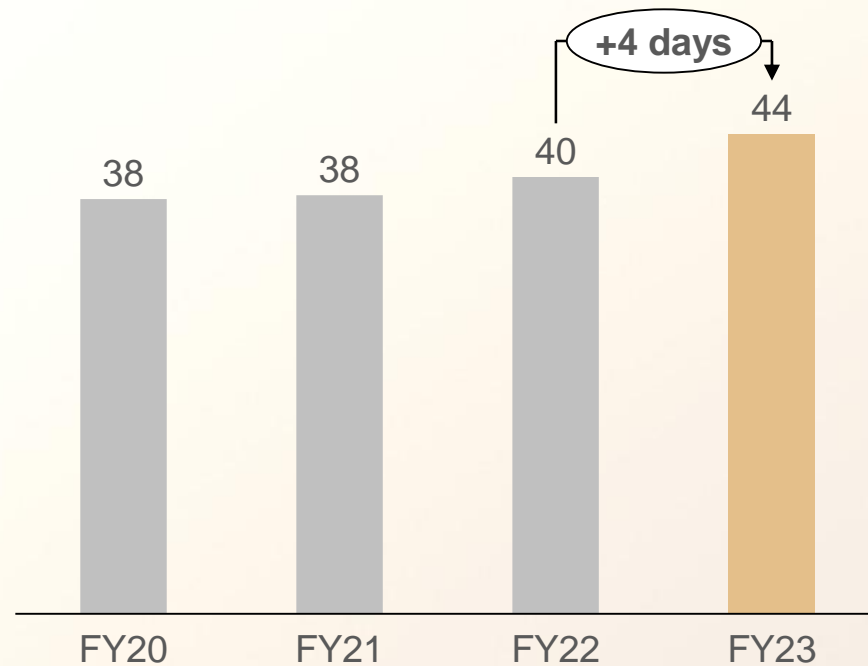


Trade Receivables and Cash Flow Management

Focusing on the performance quality management, implementing "profitable revenue with cash flow": During the year, the trade receivable turnover days were 44 days, maintaining an excellent level in the industry. The operating cash flow ratio increased by 4.9 ppt YoY to 20.6%, while operating cash flow / core net profit increased by 19.2 ppt YoY to 104.2%.

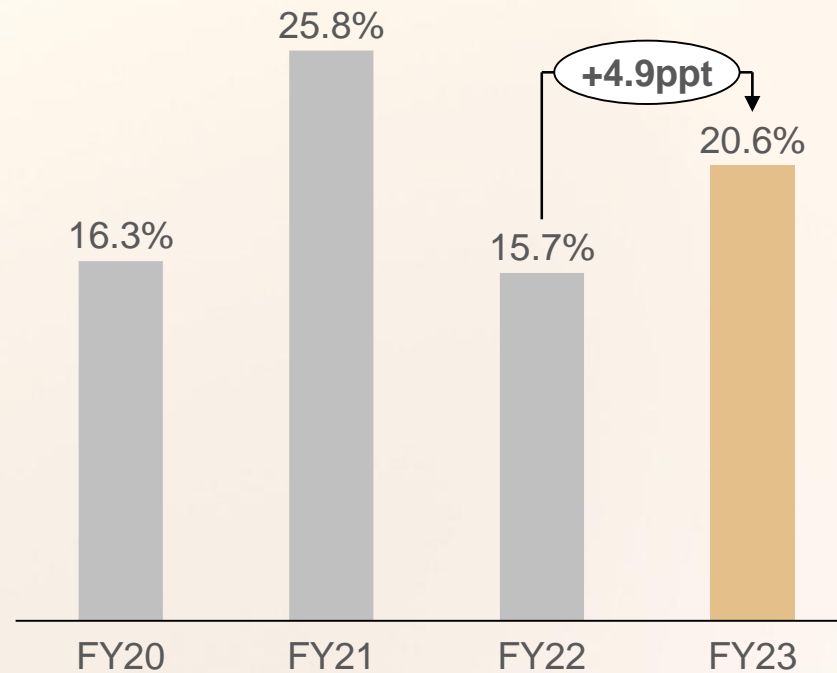
Turnover days of trade receivables

days



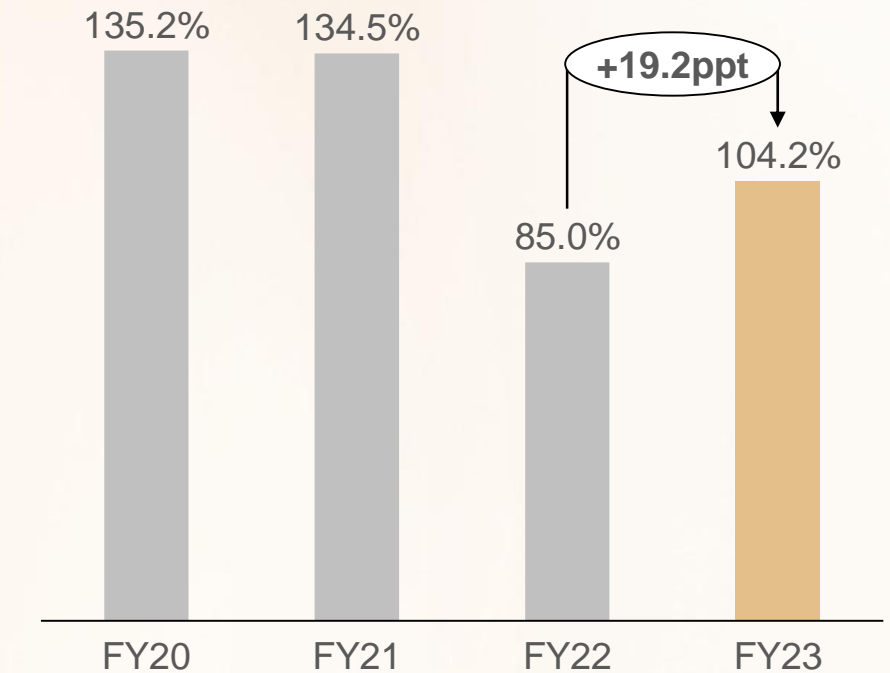
Operating cash flow ratio

%



Operating cash flow / core net profit

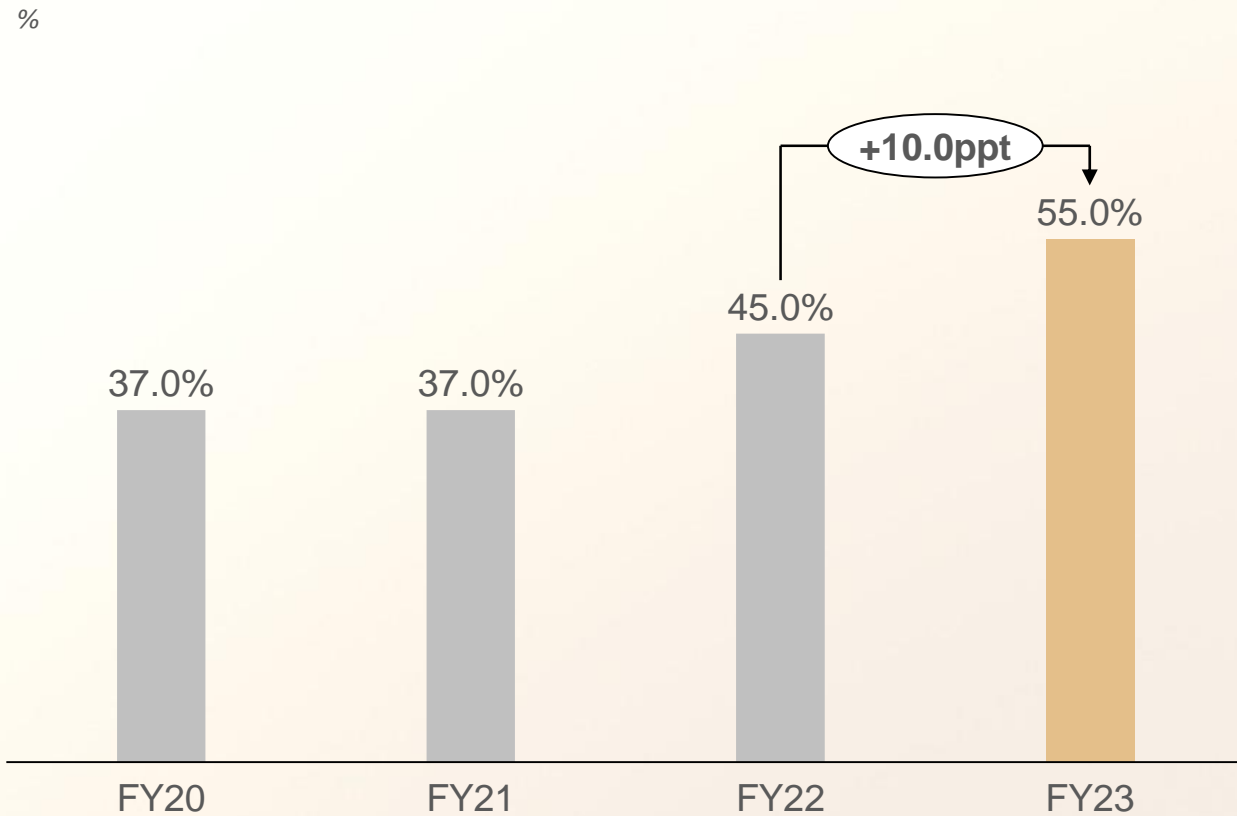
%



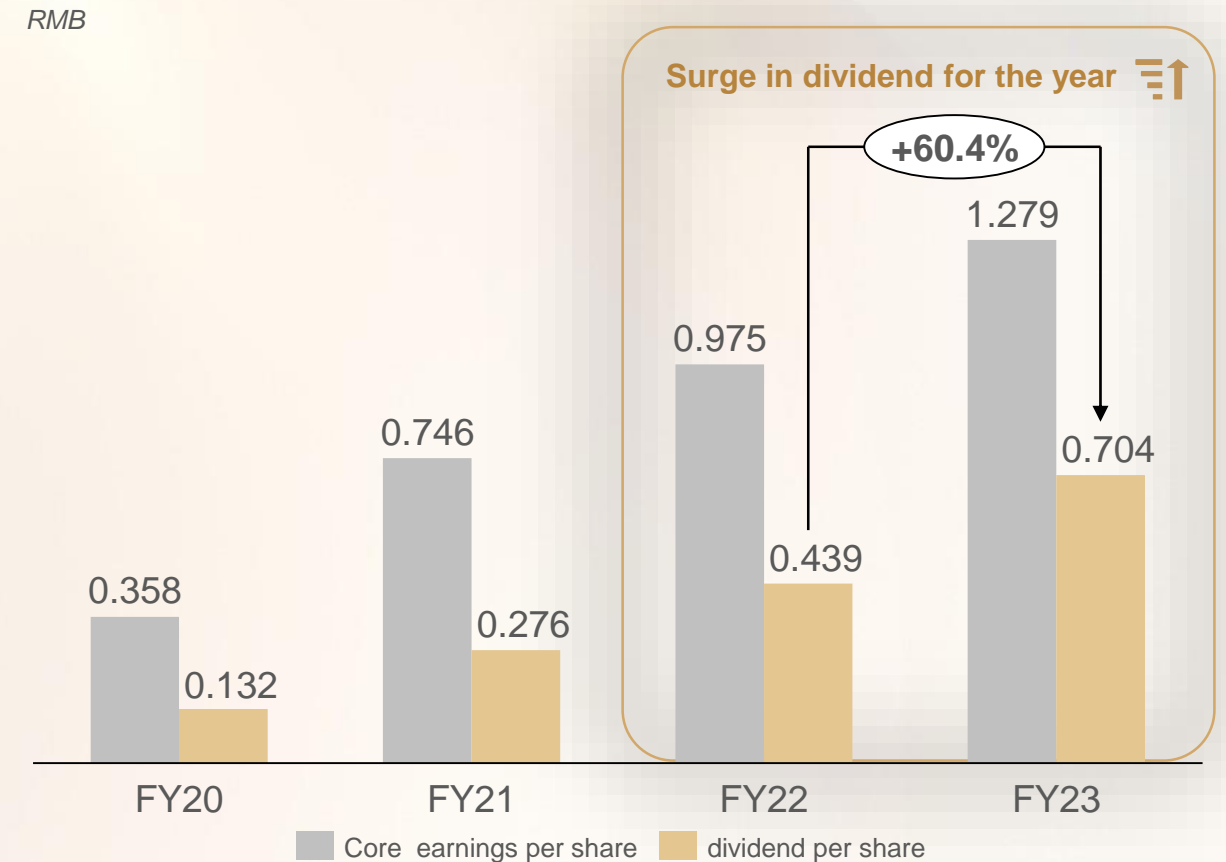
Dividend and Payout Ratio

Emphasizing shareholders' return, annual payout ratio significantly increased by 10 ppt to 55%: The dividend per share for the year grew by 60.4% YoY to RMB0.704, with the final dividend per share at RMB0.481, representing a YoY increase of 54.2%, continuously fulfilling our commitment to capital markets.

Annual payout ratio



Core earnings per share and dividend per share



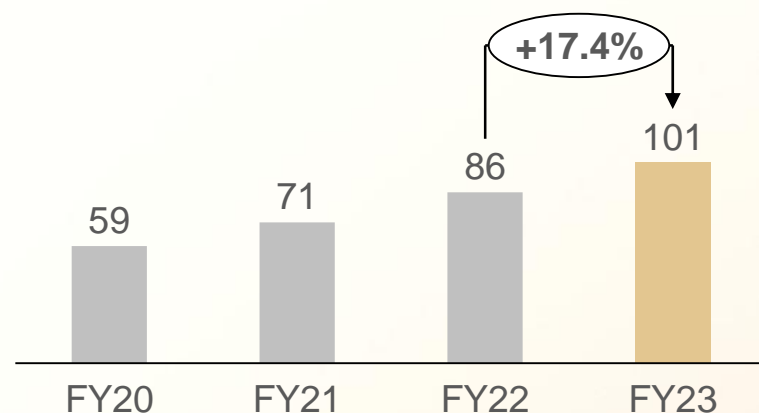
3 Business Review



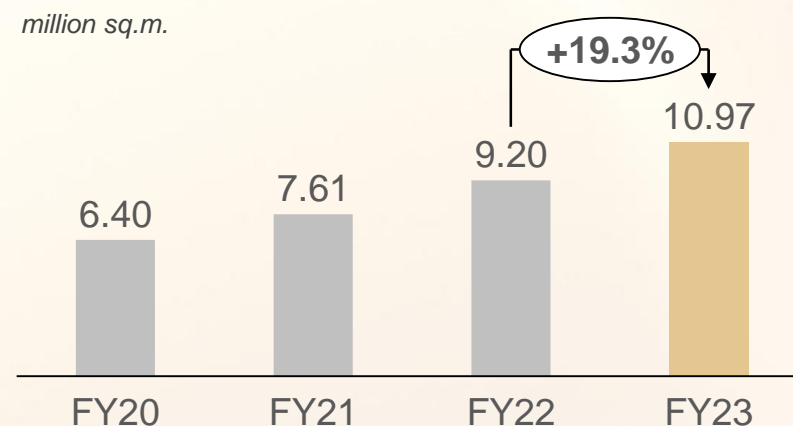
Commercial Management Business – Shopping Malls

The scale of shopping malls in operation reached the milestone of "One Hundred MALLs", further solidifying the status of industry leaders: The number of projects in operation increased to 101 and the GFA reached 10.97 million sq. m. The number of luxury shopping malls in operation increased to 13, ranking first in the industry. Among the projects in operation, 82 projects ranked top three in local market in terms of retail sales, representing 81.2% of total shopping malls in operation.

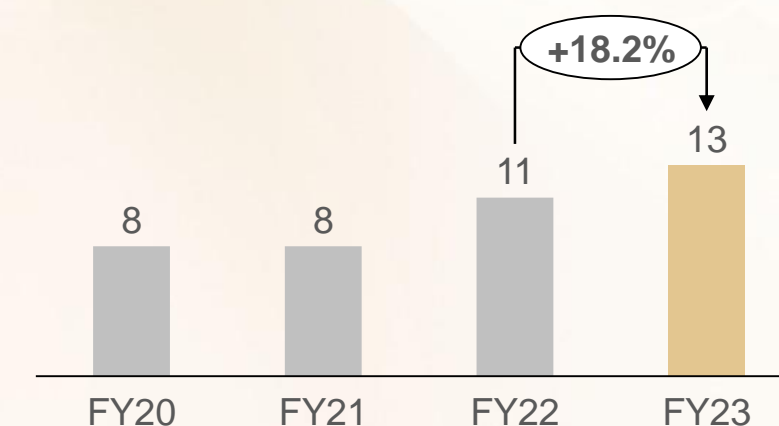
Number of malls in operation



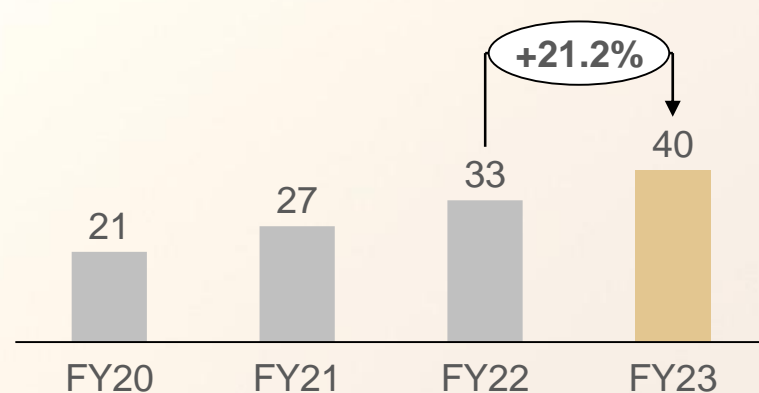
Area of malls in operation



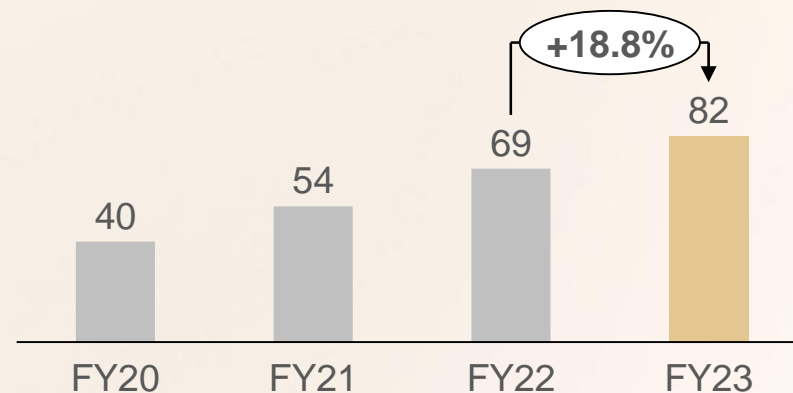
Number of luxury malls



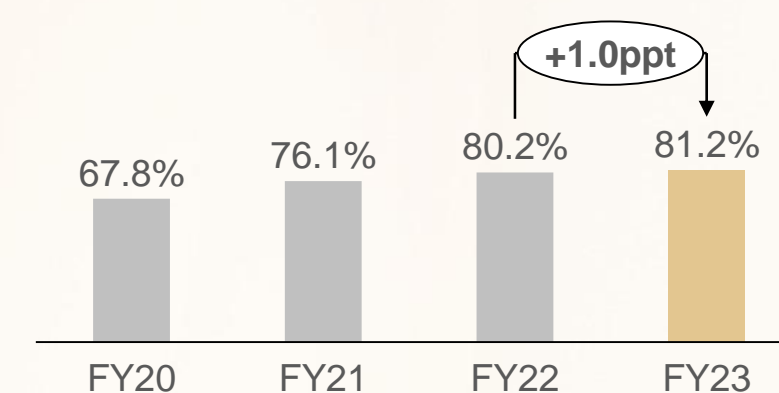
Number of malls ranked first in local market in terms of retail sales



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

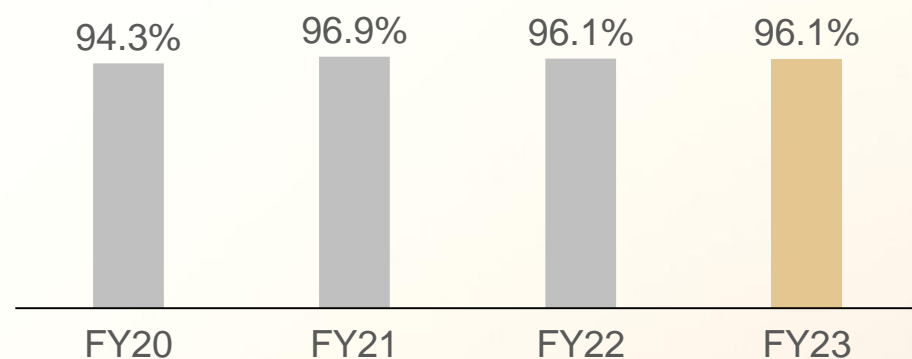


Commercial Management Business – Shopping Malls

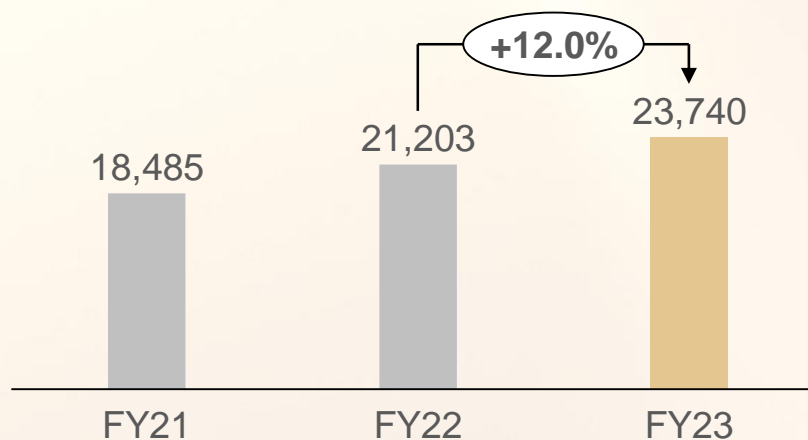
Enhancing control over core resources, and consolidating the strategic moat in brand resources: The Company promoted the "Partner Program" to deepen cooperation with core brands, the average occupancy rate of shopping malls in operation remained at a high level of 96.1% throughout the year. The number of stores in cooperation exceeded 20,000 and the number of brands in cooperation exceeded 7,400, with the number of newly opened stores of key brands accounting for more than 30% of national opening quota.

Occupancy rate

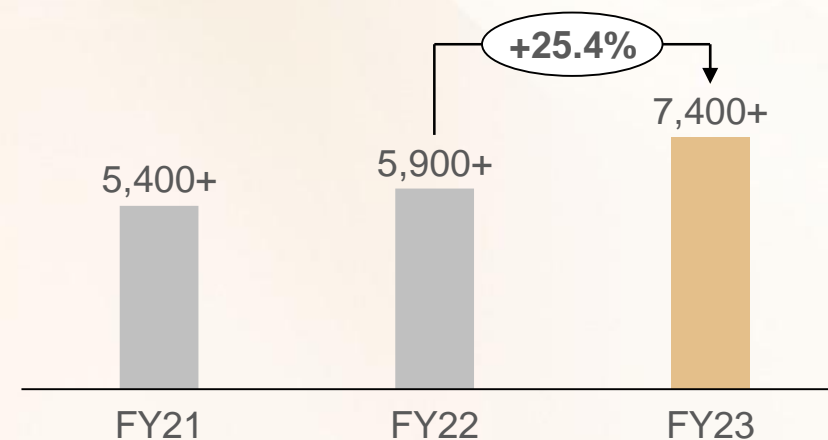
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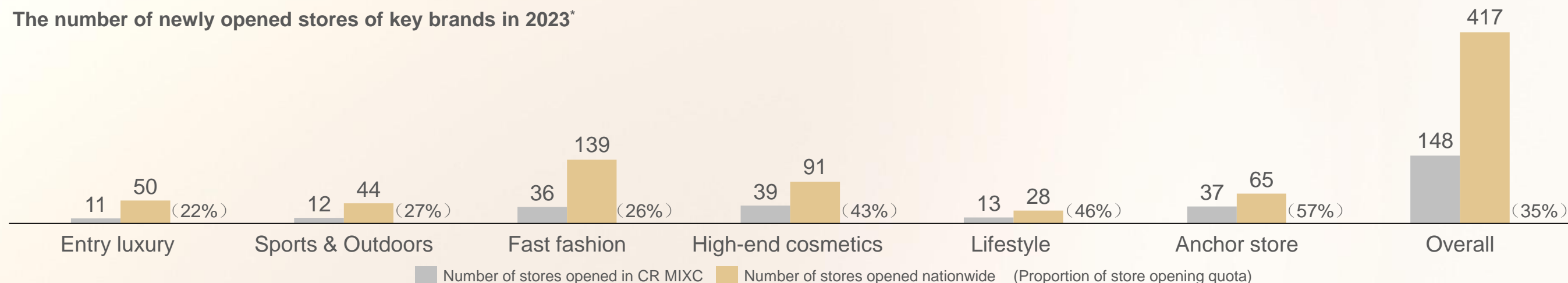
Number of stores in cooperation



Number of brands in cooperation



The number of newly opened stores of key brands in 2023*



* Exclusively including part of non-luxury key brands.

Commercial Management Business – Shopping Malls

13 high-quality shopping malls opened, achieving entire product lines deployment in third-party projects: 13 shopping malls opened as scheduled during the year, with an average GFA of 126,000 sq.m, average opening rate of 92.0%, and an average of 87 first-entry brands. The first third-party luxury project, Lanzhou MIXC, set a new benchmark for light-asset management of luxury shopping malls. Nanchang Honggutan MIXC World, as the first third-party MIXC World project, realized iteration and upgrade of "block + MALL" commercial space with high quality and efficiency.



the number of newly opened shopping malls

13

Average GFA of newly opened shopping malls

126,000 sq. m.

Average opening rate of newly opened shopping malls

92.0%

Average number of first-entry brands of newly opened shopping malls

87

Commercial Management Business – Shopping Malls

Promoting innovative development, demonstrating the pursuit of quality commercial space: The company work together with all parties to create market-leading offline space scenarios and consumption experience, upgrade service experience with the launch of specialized service system “Care by MIXC” throughout the country, and create multiple nationwide interactive marketing activities to connect local consumers and convey the concept of building a better life and promoting commercial progress.

Innovating Space Scenarios to Lead Consumption Experience

Innovating space scenarios with collaborative design



Designed as the “Eyes of Changchun”, fully expressed the idea of “open space” in atrium, formed a visual corridor connecting indoor and outdoor spaces, redefined the urban “Reception Hall”.

Designed as the “Central Art Museum”, interweaved with “trendy and pioneering” elements, integrated commercial and art experiences to form a new urban landmark.

Designed as the “Riverside Bazaar”, extended the boundary of interaction between the city and architectural space by connecting multi-dimensional spatial scenes.

Creating exclusive experience with brand cooperation



The only “Alpha Flagship Store” in Shandong, the highest-class image store of the brand, as well as the largest Veilance and large-scale interactive Academy in China.

The third store in Mainland China, the first in South China, as well as the first in CR MIXC, aiming to develop pioneering olfaction experiments with unique aesthetics and sensory experience.

The only tailor-made modern art museum-type restaurant worldwide, aiming to create an integrated scenario of “an art museum in a restaurant and a restaurant in an art museum”.

Developing “Care by MIXC” to Upgrade Service Experience

Care by MIXC, the first national specialized service systems for standardization in the industry



Coordinating facilities, services and brand resources to provide customized services for mothers&babies, kids, pet owners and various other customer groups

Bring new service experiences within 70 projects in 41 cities



Launching Nationwide Marketing to Interact with Consumers

“TOGETHER”, MIXC ONE’s first nationwide event to pursue “Bravo Life”



37 MIXC ONE projects in 28 cities interacted with local culture to interpret the summer lifestyle - enjoy every moment here and now

First “Week of Sustainability” initiative to explore sustainable lifestyle with tenants and consumers



In order to implement sustainability initiatives, 93 shopping malls launched 137 sustainable activities focusing on “green and low carbon, cultural prosperity, sustainable fashion, physical and mental health, and urban co-prosperity”

7th “FOR EVERY 100%” show every moment of MIXC LIFESTYLE and interpret commercial vitality with companionship

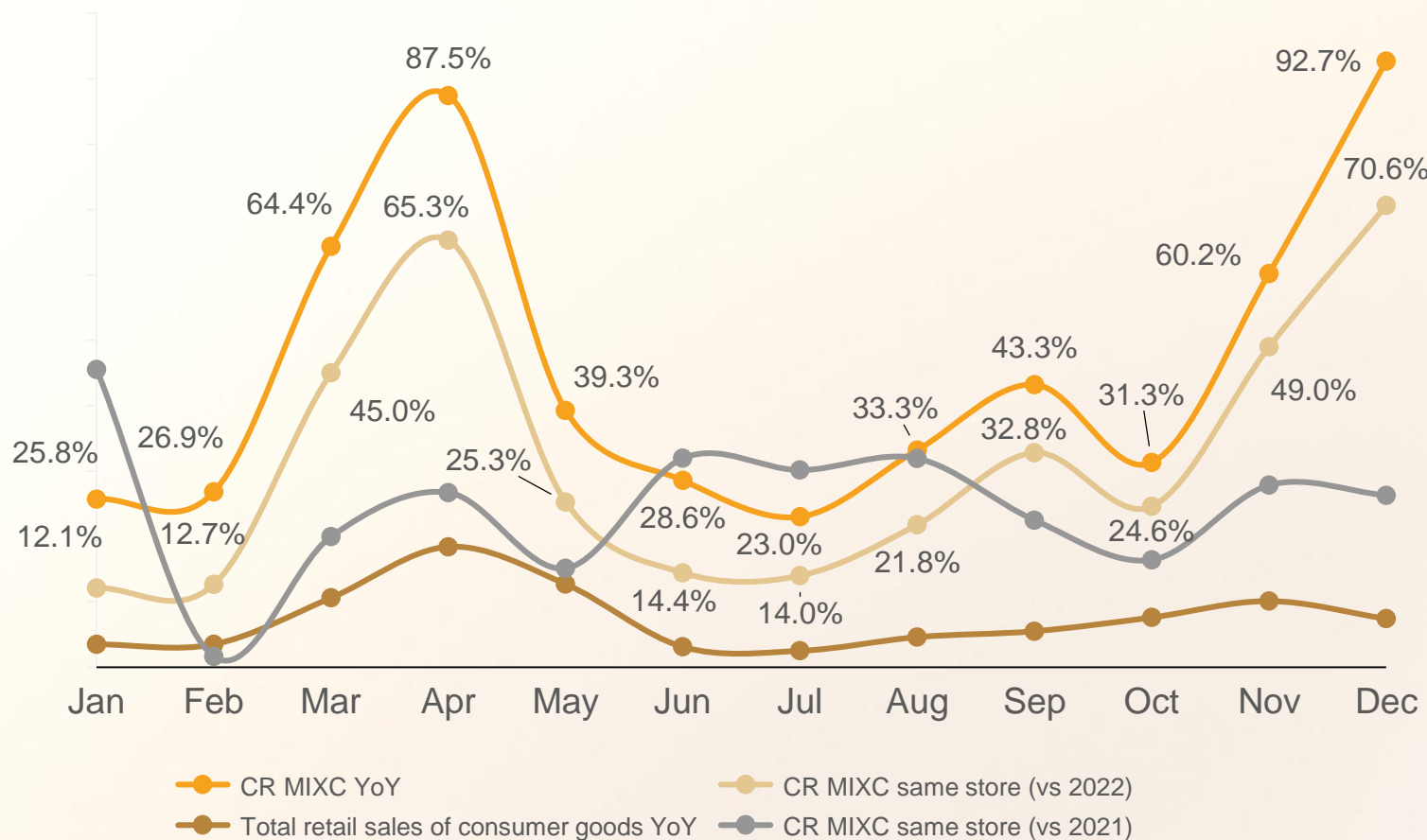


More than one hundred shopping malls interacted with local consumers to share every moment of life and convey a sense of companionship with attitude and temperature

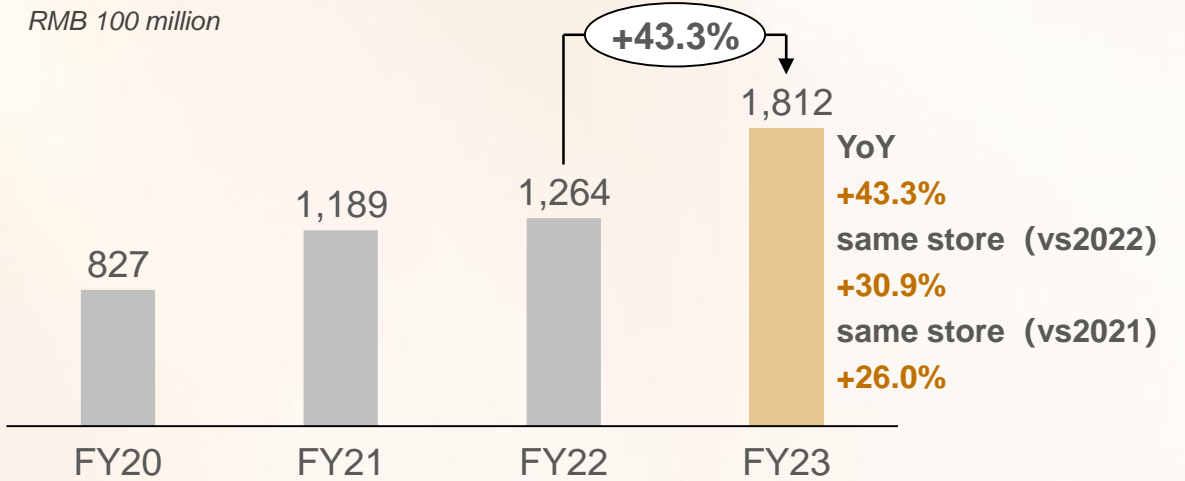
Commercial Management Business – Shopping Malls

Grasping the pace of consumer recovery, retail sales growth significantly outperformed the market, while Pareto principle became more pronounced in the retail market: Implementing the operational strategy of "contending for market share, resources and preferential policy, controlling costs" throughout the year, the monthly average sales per square meter increased by 27.0% to RMB2,624 per square meter. Accumulated retail sales increased by 43.3% YoY, with a same store growth of 30.9%, significantly outperforming the growth rate of total retail sales of consumer goods.

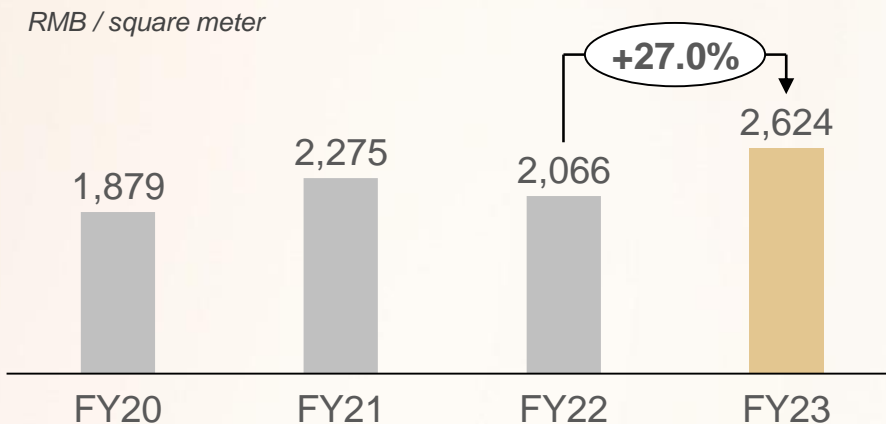
Monthly retail sales performance



Accumulated retail sales in 2023



Monthly average sales per square meter



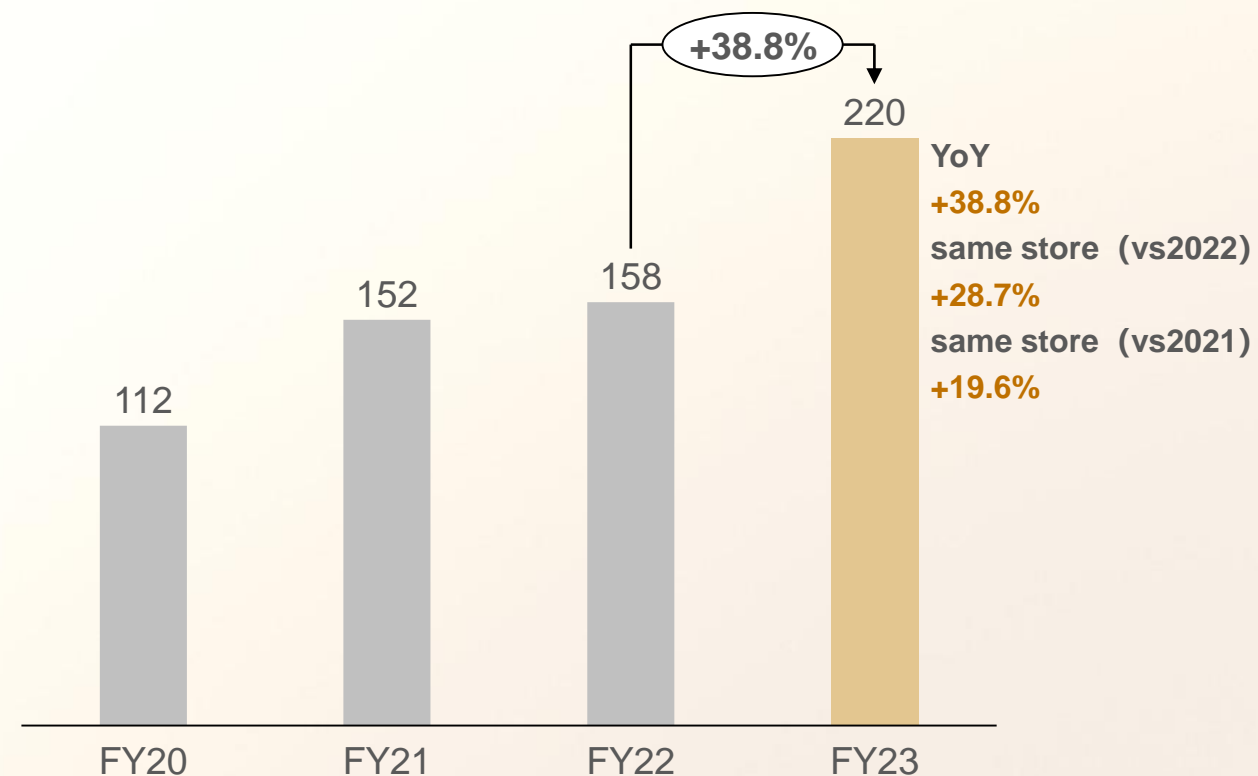
*The growth rates of total retail sales of consumer goods for January and February 2023 were based on two month combined values.

Commercial Management Business – Shopping Malls

Implementing "Resource-driven, Product-driven, Efficiency-driven" classified management to achieve a win-win ecosystem of "property owners, tenants and business operators": Based on differentiated markets, positioning and customer groups, implementing "different stores, different strategies", the rental income of property owners increased by 38.8% YoY to RMB22.0 billion, NOI increased by 50.6% YoY to RMB14.2 billion, and NOI Margin increased by 5.0 ppt to 64.7%.

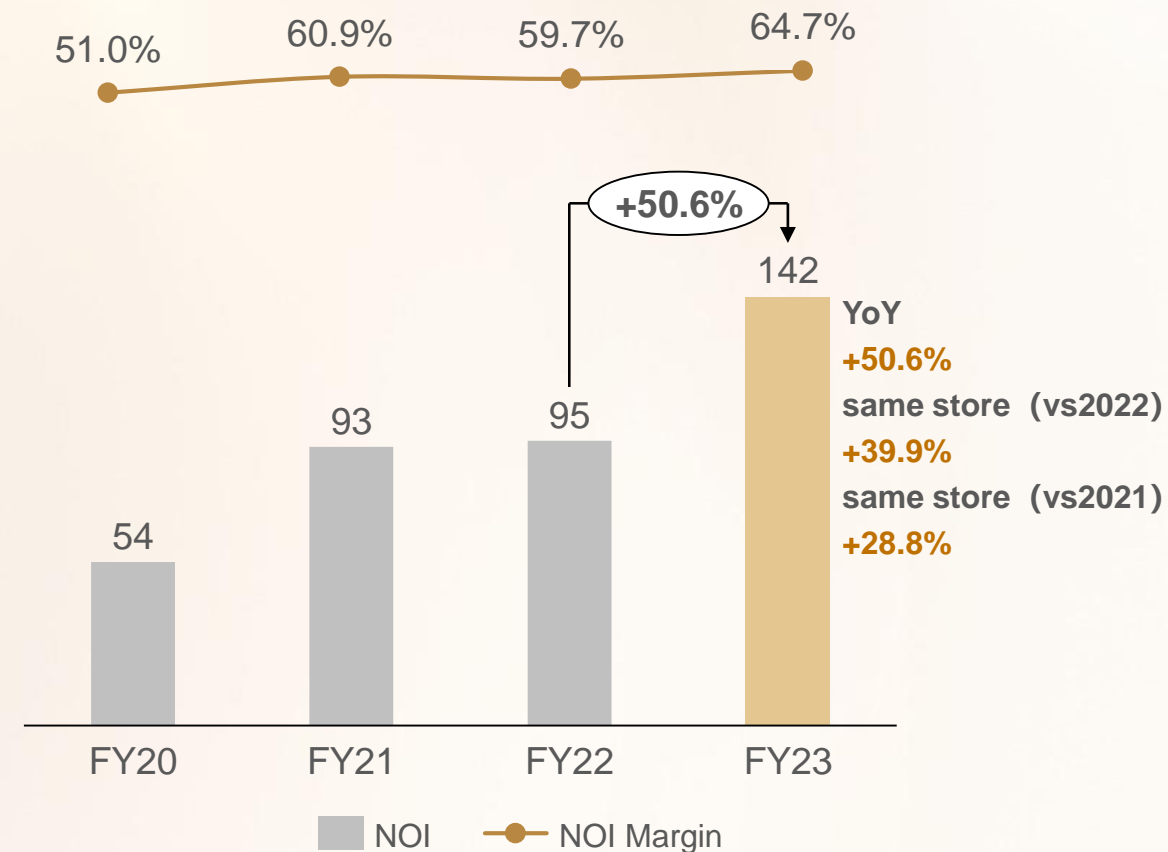
Rental income

RMB 100 million



NOI and NOI Margin

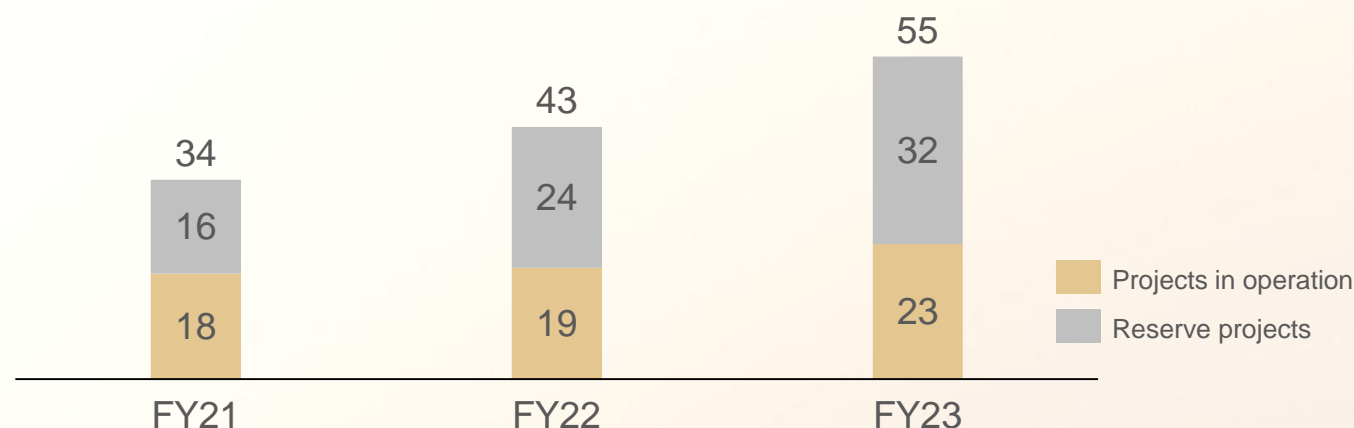
RMB 100 million



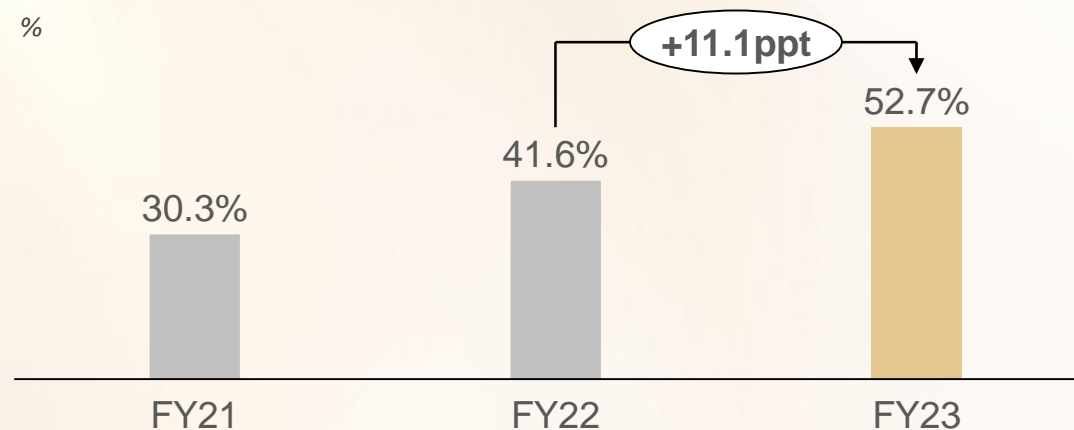
Commercial Management Business – Shopping Malls

Effectively empowering third-party projects by entire value chain professional ability, highlighting market-oriented operational capabilities: By the end of the year, there were 55 third-party projects, including 23 projects in operation, with recognized light-asset operational capabilities. The average NOI Margin of third-party projects in operation increased significantly by 11 ppt to 52.7%, driving high-quality development through endogenous growth. The proportion of revenue from third-party projects increased by 3.2 ppt to 26.0%, and pre-tax profit contribution increased by 0.3 ppt to 17.5%.

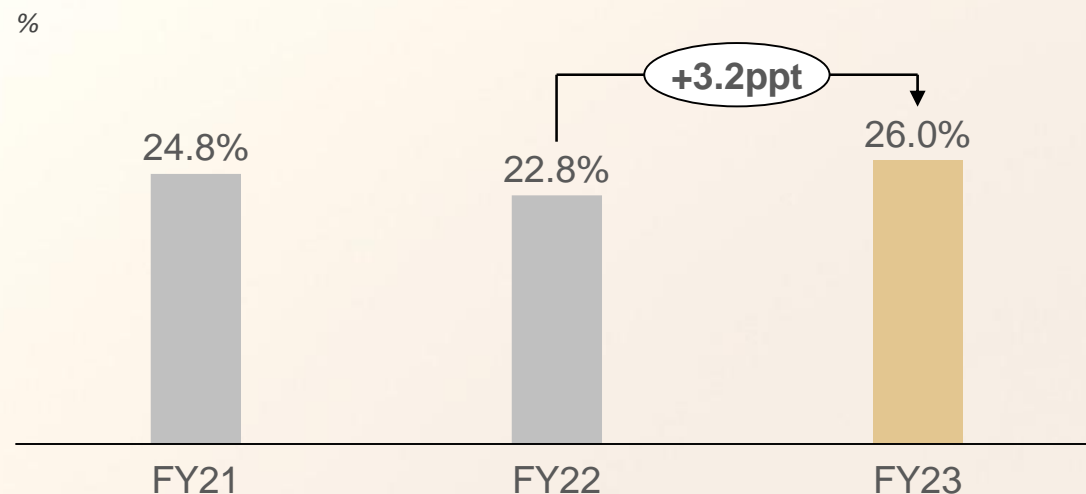
Number of third-party projects



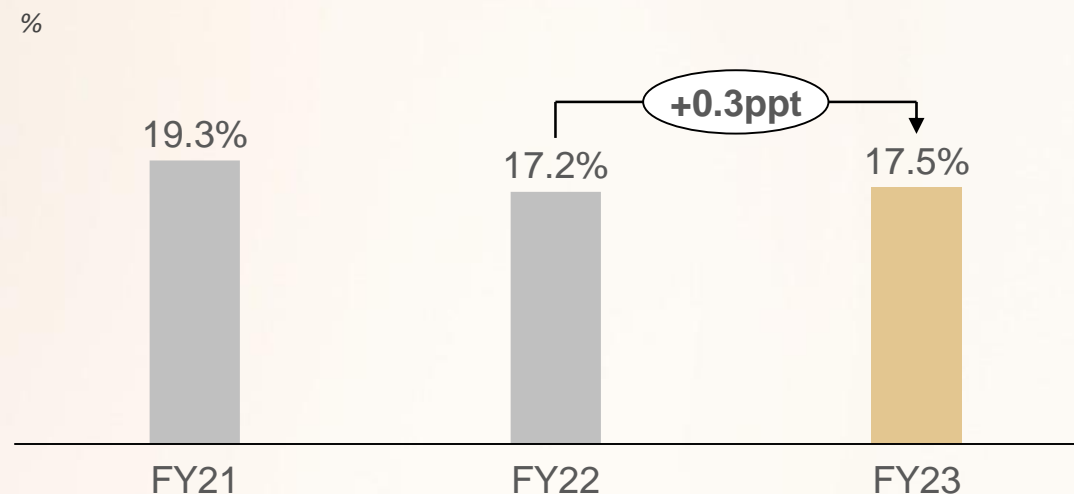
Average NOI Margin of third-party projects in operation



The proportion of revenue contribution of third-party projects



The proportion of pre-tax profit contribution of third-party projects



Commercial Management Business – Shopping Malls

Focusing on high-tier cities, deepening management concentration: 22 projects were obtained during the year, including 8 projects from parent company and 14 third-party projects, and all of the third-party projects were TOD projects in first-tier and second-tier cities. Concentrating on regional layout, the total number of projects in Shanghai increased to 13 during the year, and the proportion of third-party projects in Shenzhen, Shanghai, Wuhan, and Chengdu exceeded 50%.

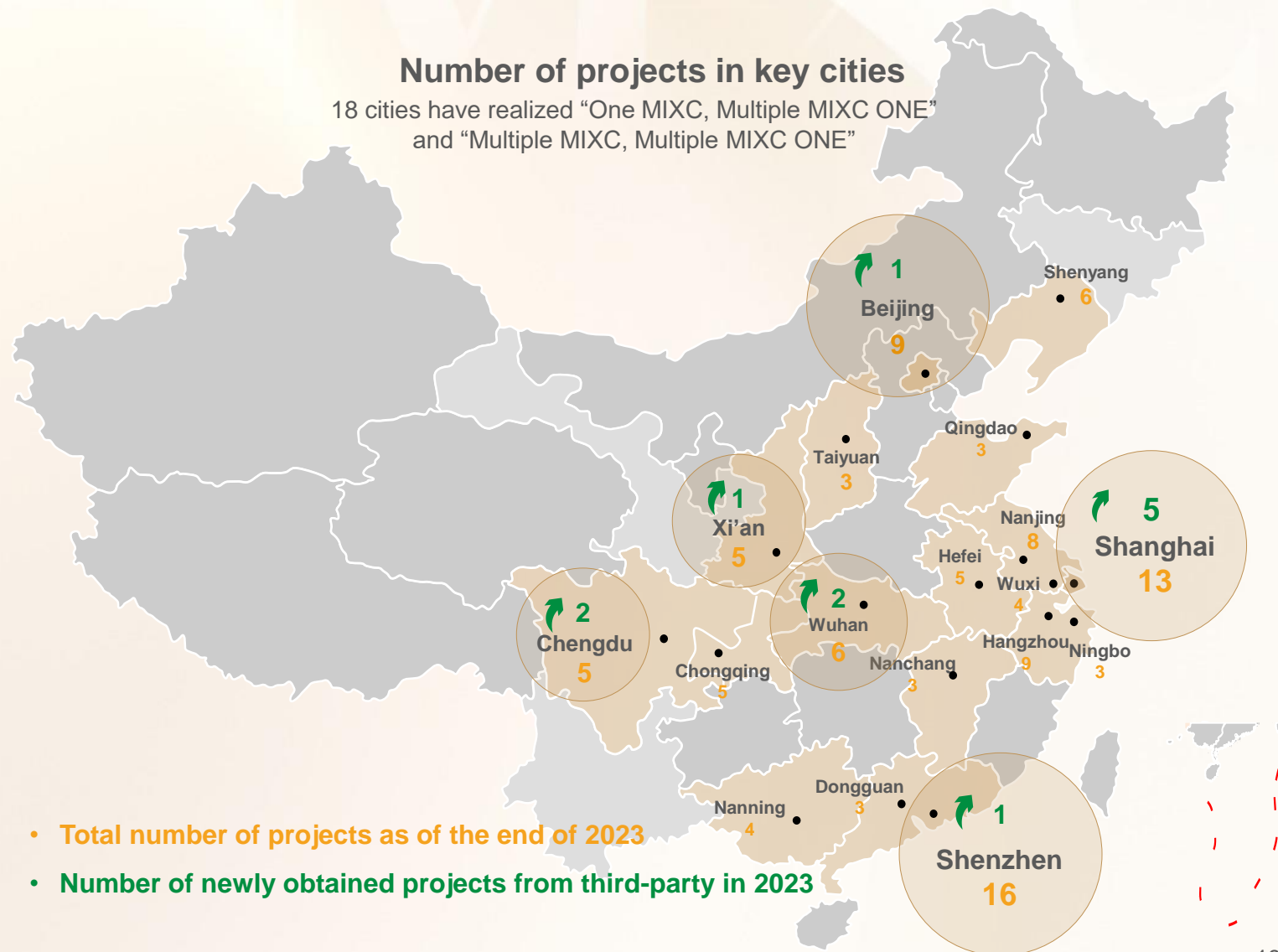
Newly Obtained Projects during the Year

	Third-Party	Parent Company
Number of projects	14	8*
GFA (10,000 sq. m.)	126	174
Average area of a single project (10,000 sq. m.)	9.0	21.8
Proportion of TOD projects	100%	50%
Proportion of projects in first-tier and second-tier cities	100%	100%
Proportion of existing projects	29%	-

*Including phase II projects.

Number of projects in key cities

18 cities have realized "One MIXC, Multiple MIXC ONE" and "Multiple MIXC, Multiple MIXC ONE"



- Total number of projects as of the end of 2023
- Number of newly obtained projects from third-party in 2023

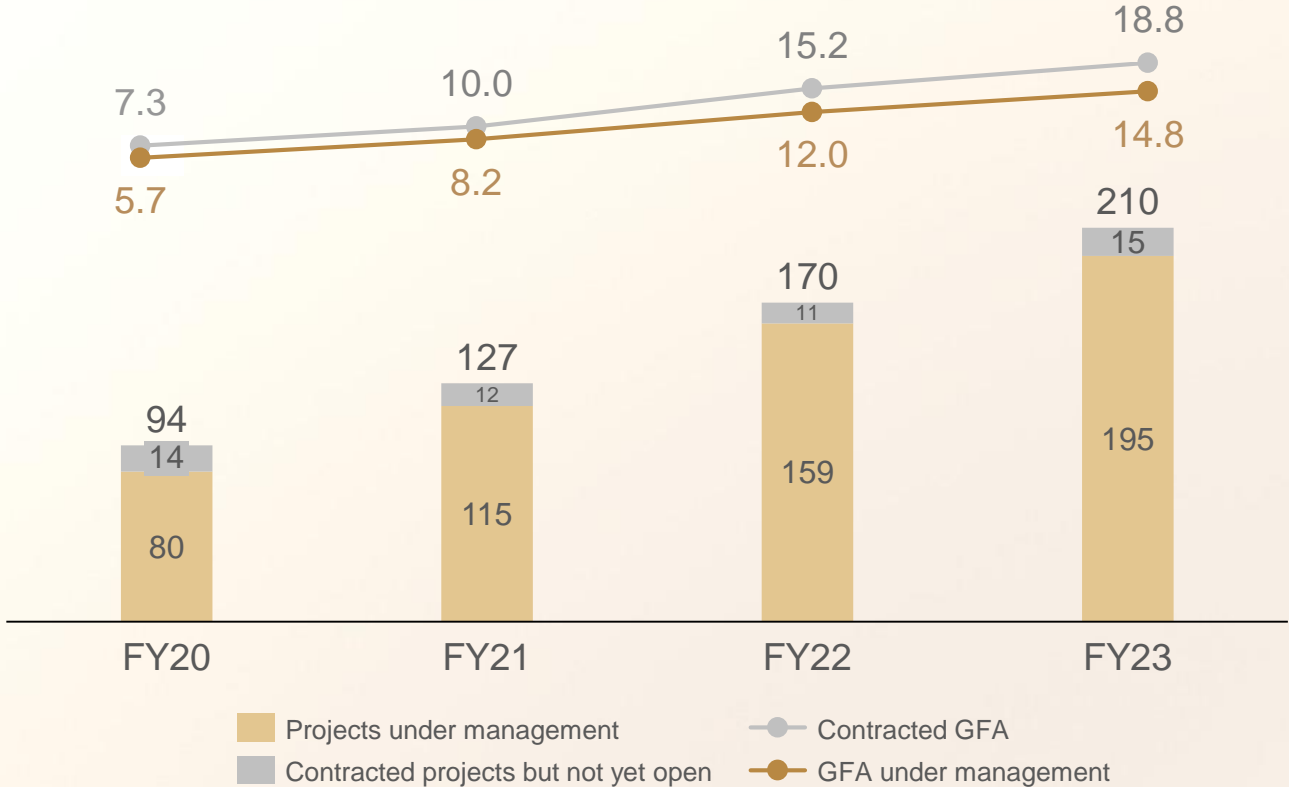
Commercial Management Business - Office Buildings

Building an integrated management system of “leasing + operation + property management”, the occupancy rate increased against the market trend:

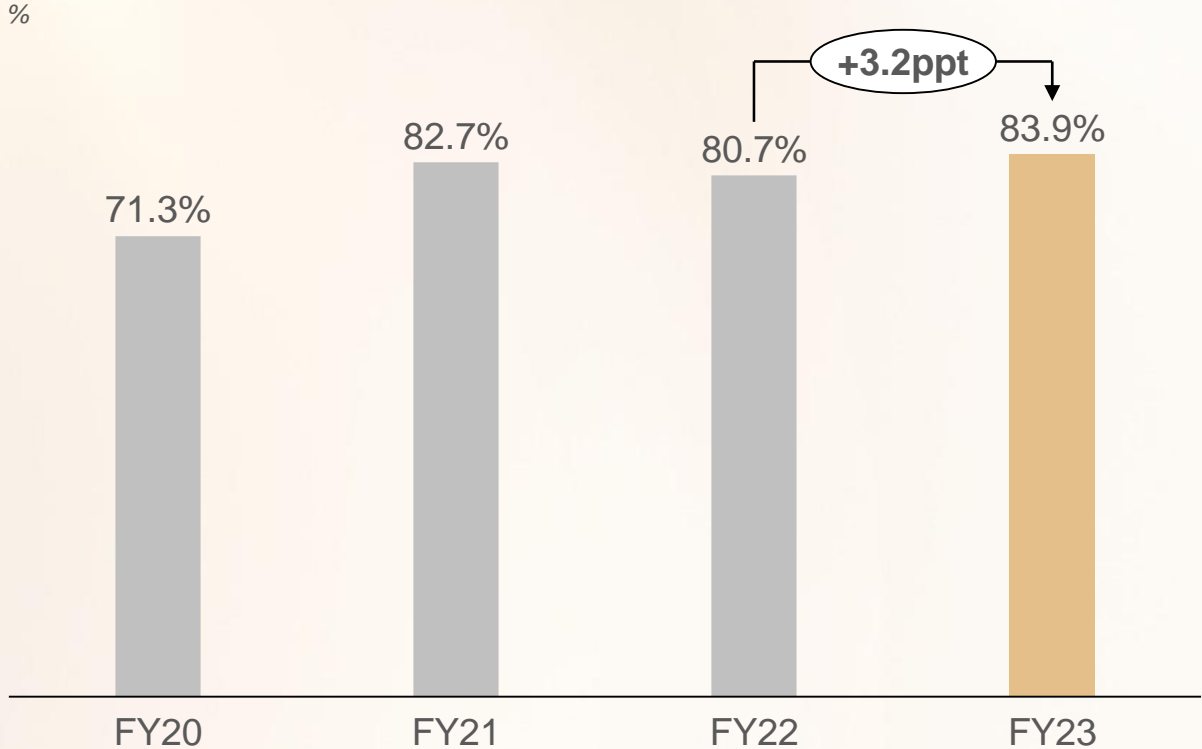
As of the end of 2023, there were a total of 195 projects under management, covering a GFA under management of 14.82 million sq. m., the contracted projects reached 210, and the contracted GFA reached 18.78 million sq.m. Against the challenging market environment of rising vacancy rates in office building, through improving service quality and customer experience, the average occupancy rate of the 26 projects operated by the Company increased by 3.2 ppt to 83.9% with stable rental income.

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

million sq. m.



Occupancy rate



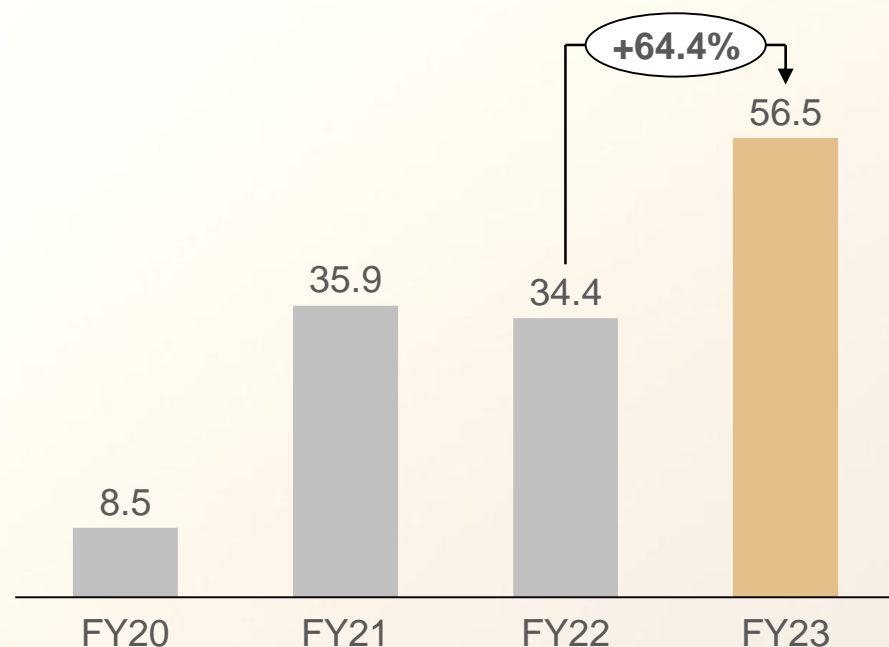
*Reorganize the area data based on main data construction, and retrospectively adjust the 2022 data to the 2023 standard.

Property Management Business – Growth in Scale

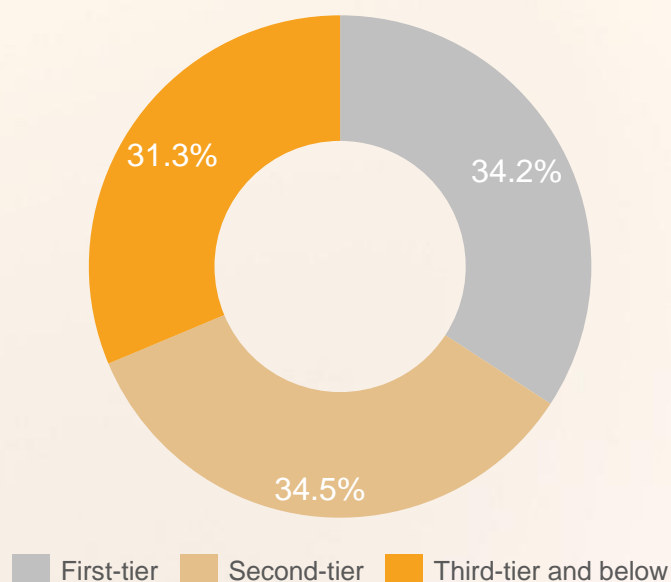
Promoting quality growth in scale through all channels, with annualized contract amounts exceeding RMB1 billion: The Company simultaneously implemented "market-oriented expansion + M&A + joint ventures", completed the acquisition of LONGEY property management project during the year, adding 7.54 million sq.m of third-party contracted area. The scale of market-oriented bidding & direct expansion in the third-party market entered top five in the industry for the first time, achieving an increase in third-party contracted area of 56.52 million sq.m. through bidding & direct expansion and joint ventures, with 68.7% 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 80.3%, 14.2%, and 5.5% respectively.

Newly added third-party contracted area*

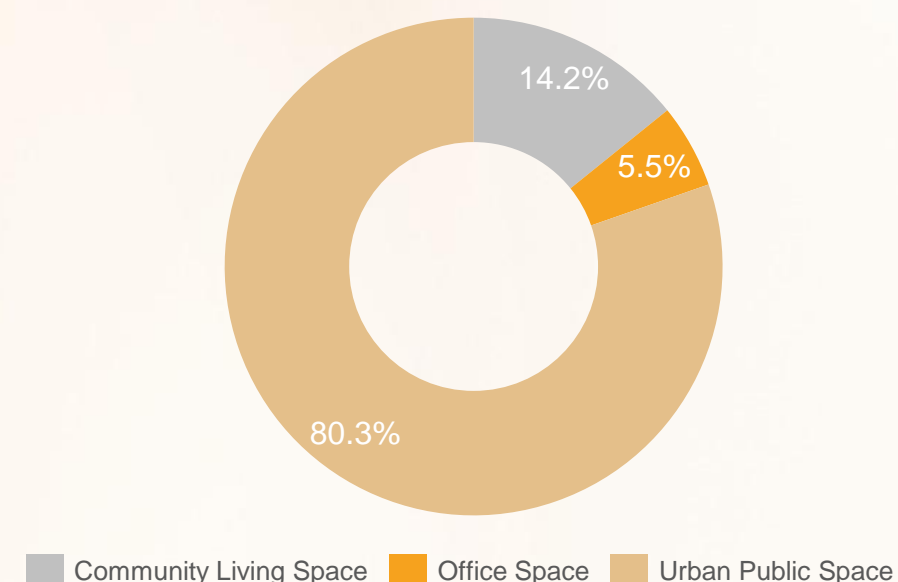
million sq. m.



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



Classification of newly added third-party contracted area *



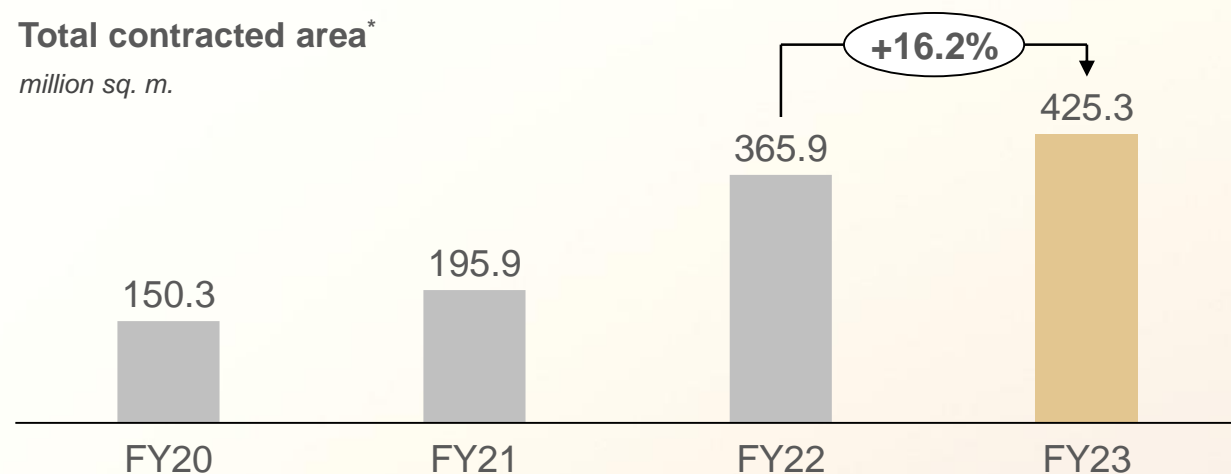
*including newly contracted projects in the current year, excluding renewed third-party projects that expired in the current year, and excluding mergers and acquisitions.

Property Management Business – Growth in Scale

Optimizing the stock while solidifying increments, the proportion of both third-party contracted area and third-party area under management continued to increase: As of the end of 2023, the total contracted area reached 425 million sq.m., and the total area under management was 370 million sq.m., representing a YoY increase of 16.2% and 24.6%, respectively. The proportion of third-party contracted area and area under management were 59.0% and 60.4%, respectively, representing a YoY increase of 3.0 and 3.3 ppt, respectively.

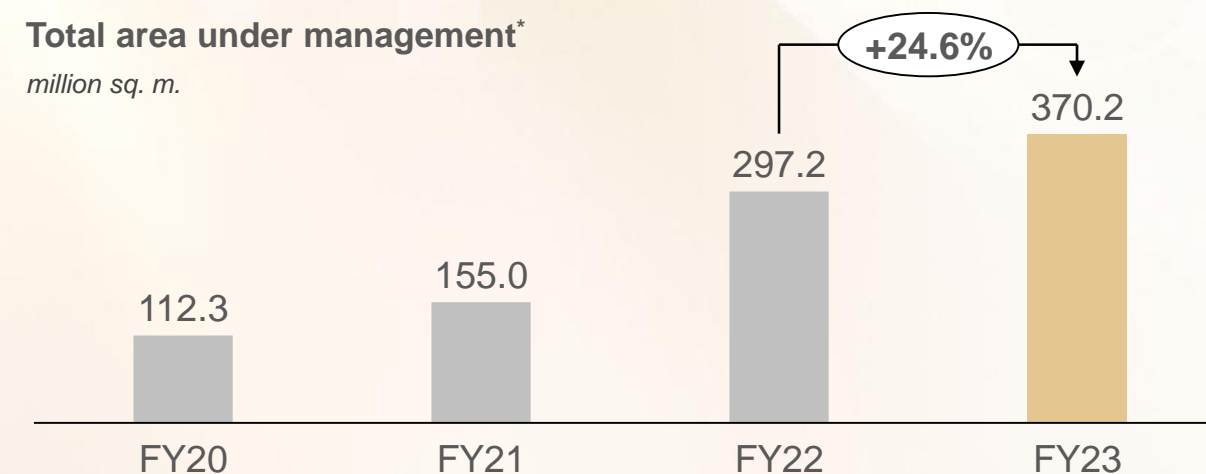
Total contracted area*

million sq. m.

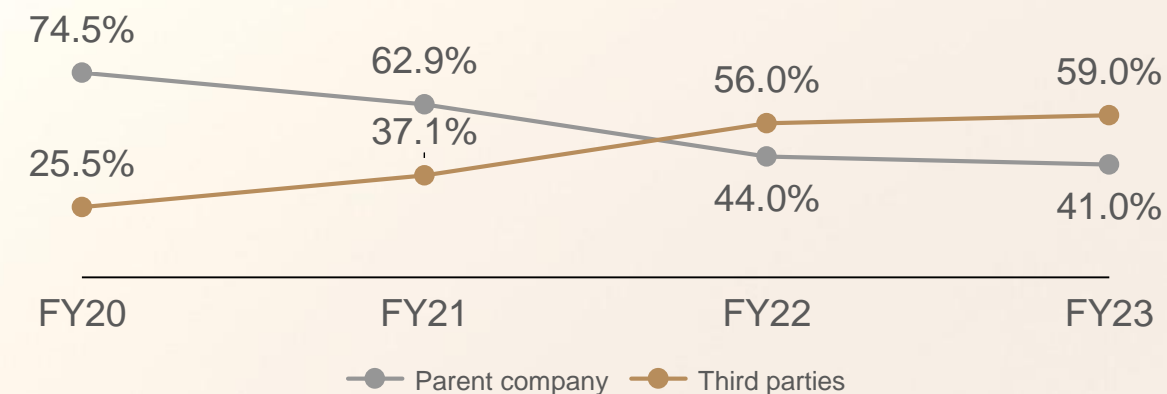


Total area under management*

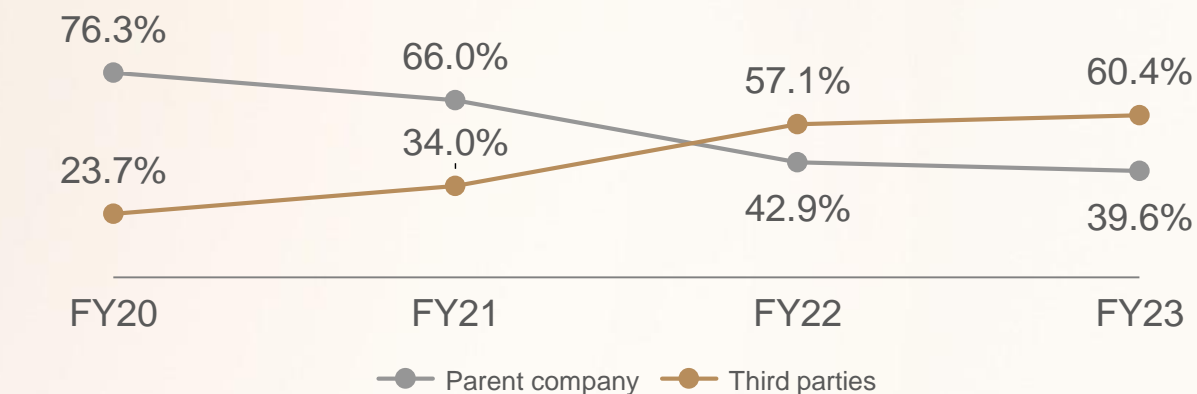
million sq. m.



Percentage of contracted area: parent company vs. third parties*



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

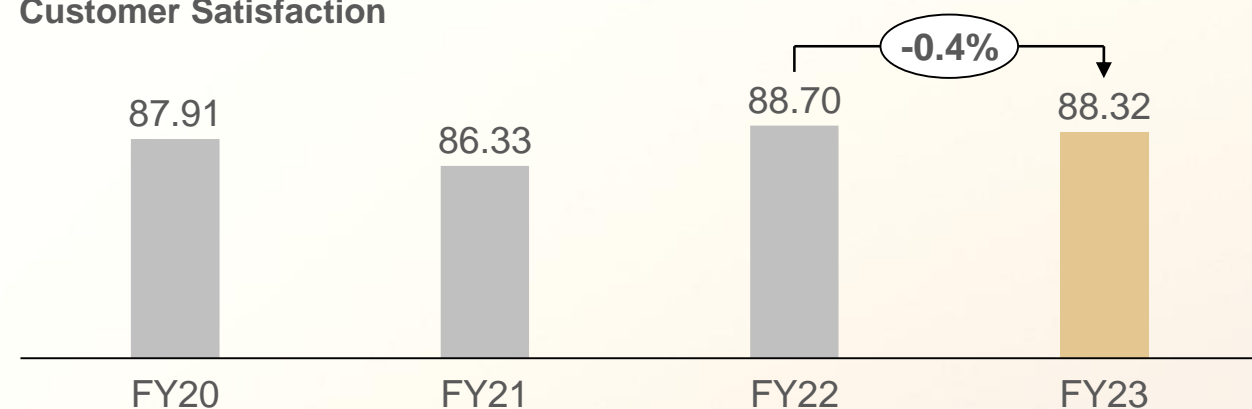


*Reorganize the area data based on main data construction, and retrospectively adjust the 2022 data to the 2023 standard.

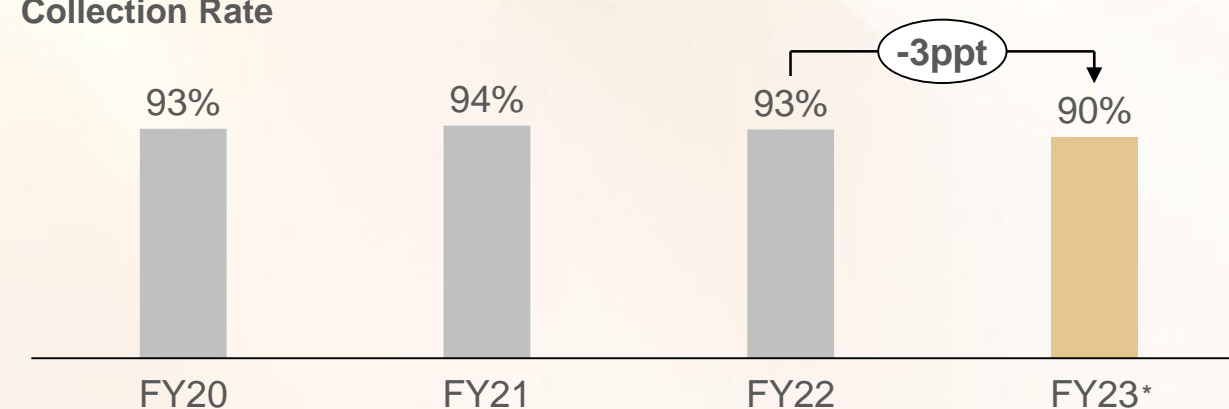
Property Management Business – Service Quality

Establishing the “Better Community” Service Value System, and implementing the high-quality service concept: Centered on customer needs, based on the principle of "matching quality with customers and price", a “Better Community” value system was formulated. Leveraging a grid-based operating model, the quality of basic services was comprehensively improved. The customer satisfaction during the year was 88.32, maintaining an industry-leading level. Service quality drove value transformation, with a 90% high collection rate after the comprehensive integration of M&A projects.

Customer Satisfaction



Collection Rate



“Better Community” Service Value System

4 modules, 46 space scenarios, and 772 executive standards

Exquisite Service



Dedication to Detail

Pursuit of Perfection

- Responsive Service
- Everlasting Companionship
- Safety First
- Transparent

Friendly Community

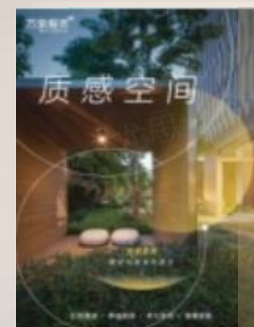


Pleasant Acquaintance

Deep Neighborhood Bonds

- Seasonal Hospitality
- Vibrant Seniors
- Childlike Joy
- Party-Mass Collaboration

Quality Space

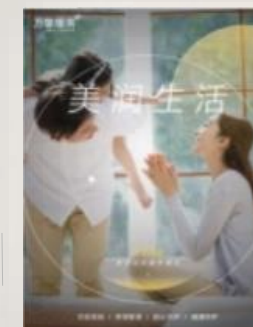


Elevated Experience

Beauty of Space

- Immersed Senses
- Serene Abode
- Diverse Gatherings
- Smart Empowering

Comfortable Life



Enhanced Living

Selective Refinement

- Neighborly Housekeeper
- Thoughtful Attention
- Perfect Experience
- Health Care

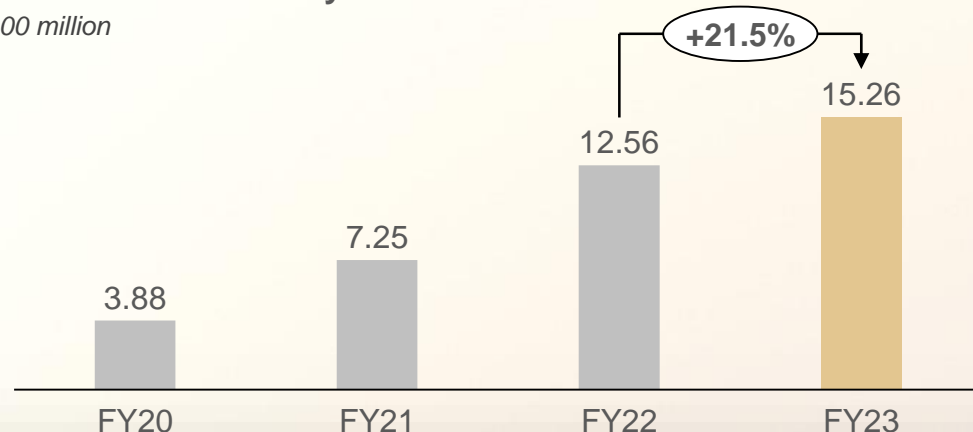
* Including the merger and acquisition projects of Yuzhou and Zhongnan.

Property Management Business – Community Value-Added Services

Capacity enhancement drove structural optimization, while technology facilitated the extension of service boundaries: By enhancing product, operational, and service capabilities, the revenue from community value-added services increased by 21.5% YoY to RMB1.526 billion, with the combined revenue of “One-stop decoration” and “Butler on call” accounting for an increase of 12.6 ppt to 41.8%. The launch of the self-developed system “Zhaoxi Mall” extended digital construction to diversified value-added services, contributing to “CR Selection” realizing a 59.7% increase in revenue to RMB166 million.

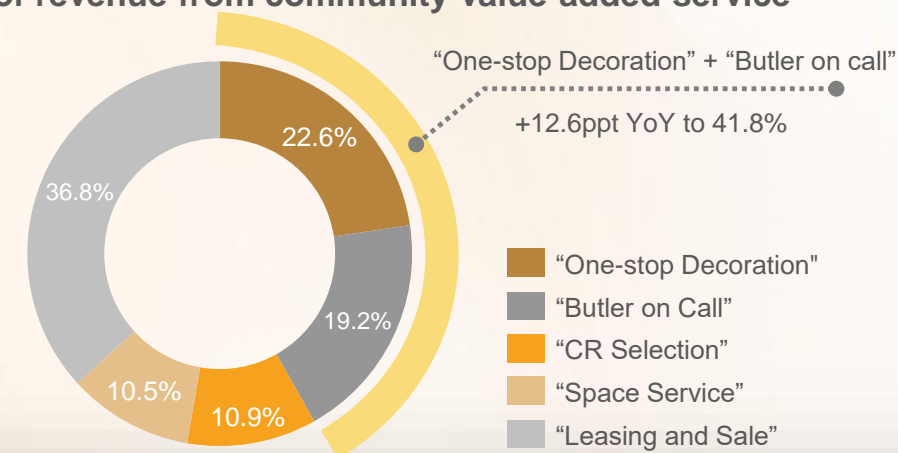
Revenue from community value-added services

RMB 100 million



Classification of revenue from community value-added service

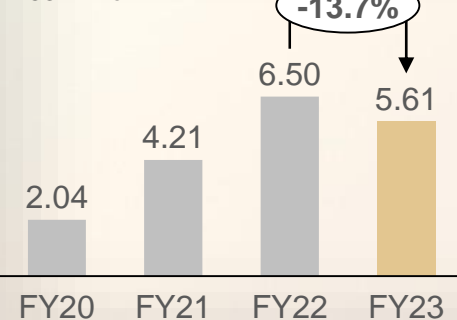
%



Focusing on five major business segments

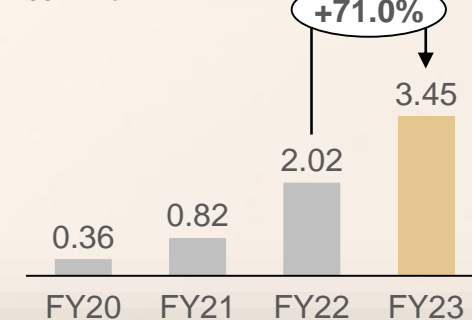
Revenue from “Leasing and Sale”

100 million



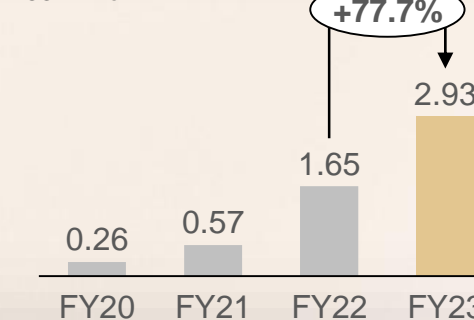
Revenue from “One-stop Decoration”

100 million



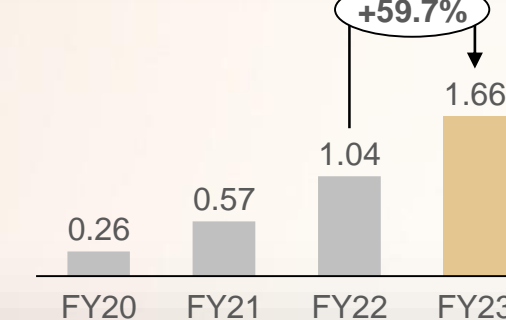
Revenue from “Butler on Call”

100 million



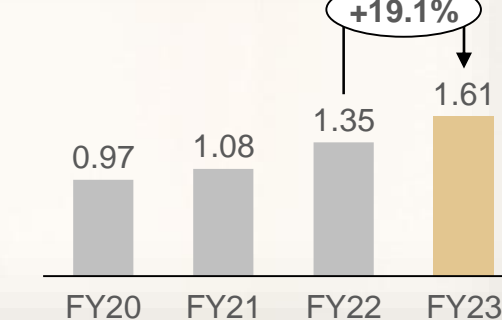
Revenue from “CR Selection”

100 million



Revenue from “Space Service”

100 million



Property Management Business – Urban Space

Adhering to the strategic positioning of “Urban Space Operational Service Provider”, a “Better City” operating ecosystem has been constructed: Through the urban space operating mode, the Company aims to provide comprehensive urban operational products in all formats, spaces, and services for government, market and public. By building business, customer and resource ecosystems, an urban operating ecosystem has been created to facilitate environmental improvement, resource activation, image enhancement, value release and wealth appreciation in various aspects of nature, culture, technology, production, and life.



Property Management Business – Urban Space

Focusing on specific segments to build core competitive advantages: Focusing on urban steward, riverway & park, stadiums, and industrial park segments, the Company strived to create benchmarking projects such as the Shenzhen Luohu Urban Steward, Chengdu Dong'an Lake Park, and Xi'an Olympic Sports Center. The collection rate of urban space projects reached 87.9% during the year, with revenue increasing by 42.6% to RMB1.34 billion. The proportion of areas under management in industrial parks, riverway & park, urban steward and stadiums was 45%, 22%, 21%, and 4%, respectively.

Urban Steward



"Urban Property Management" Project of Nanhu Street and Sungang Street in Luohu District in Shenzhen

Riverway and Park



Chengdu Dong'an Lake Integrated Project

Stadiums



Chengdu Science Fiction Museum: The First Independent Exhibition-supporting Project

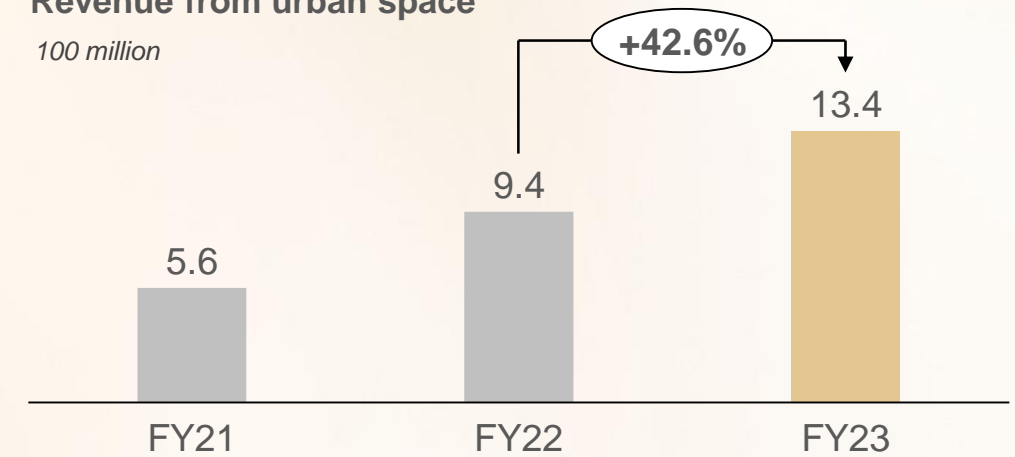
Industrial Park



Wuhan Dongfeng Motor Corporation Headquarters

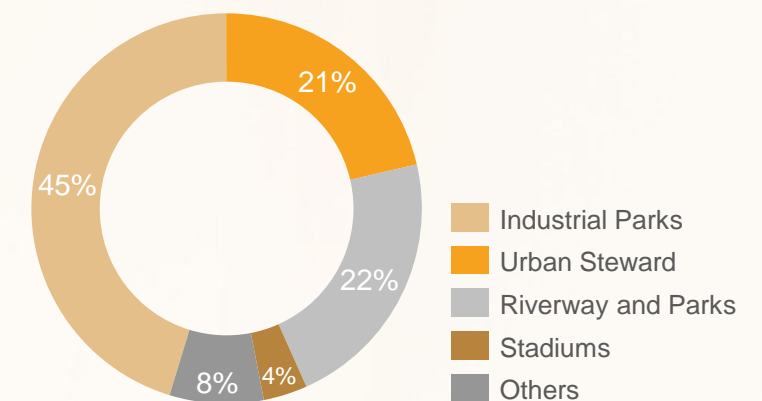
Revenue from urban space

100 million



Classification of areas under management in urban space

%

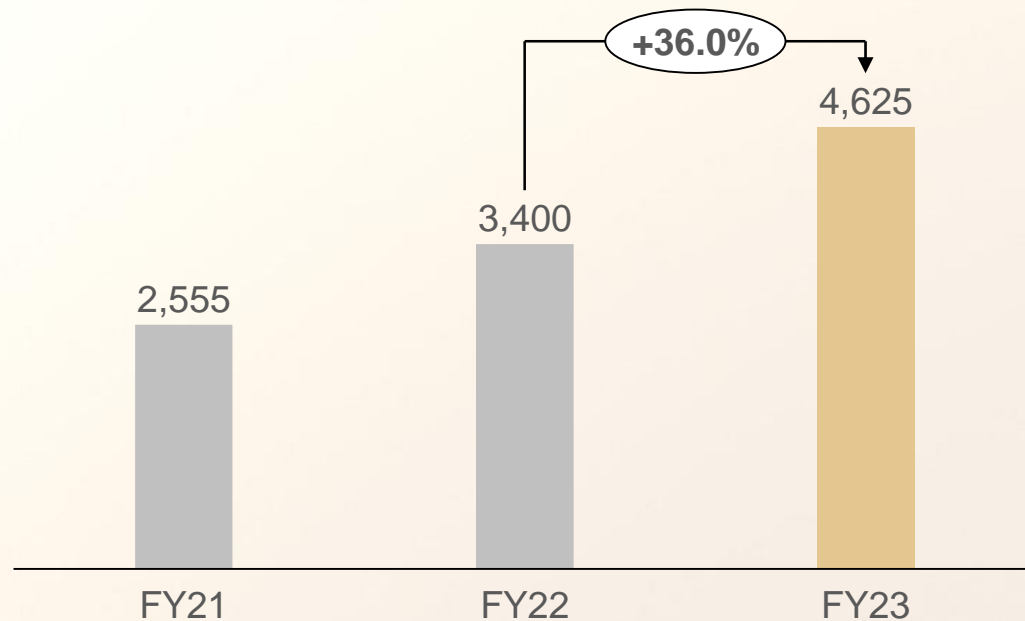


Membership

Driving cross-business penetration among members, the momentum of membership growth continued: During the year, the number of members and the bonus points reached a new high, with a 36.0% YoY increase to 46.25 million people, and the total amount issued by MIXC STAR increased by 56% YoY to RMB890 million, the total amount redeemed by MIXC STAR increased by 61% YoY to RMB660 million.

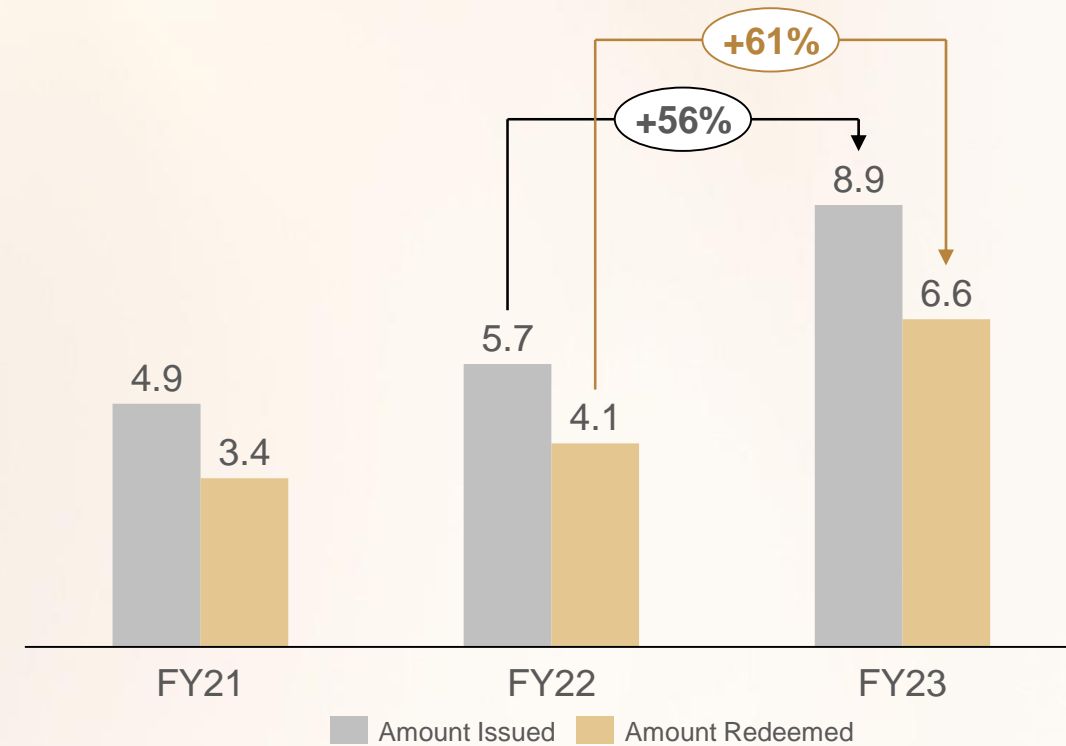
Total number of members

Ten thousand members



Amount issued and redeemed by MIXC STAR during the year

RMB100 million

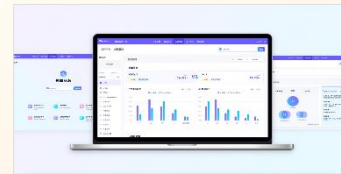


Technology Empowerment

Driving production technologization and operational digitalization to enhance the competitive advantages in cost: Commercial management business focused on digitizing operations for efficiency improvement, “Liangyu” system significantly increased the work order efficiency of commercial property management, the intelligent marketing platform contributed to a 20% increase in conversion rates, “Lianggu” mini program enabled comprehensive online tenant services and management, E-MIXC APP renovation drove monthly active rate growth. Property management business focused on increasing digital coverage, with the "Zhaoxi" APP and mini program facilitating comprehensive online basic services, reconstructing the property charging system to support business and financial integration, upgrading the parking management platform to enhance customer experience, and the investment management system promoting an increase in lead conversion rates.

Efficiency enhancement across multiple specialties in commercial management

- Tenant sourcing management achieved full-process online operations, with new brand analysis, and real-time indicator control capabilities
- Commercial property management operations went paperless management, with work order response efficiency increasing by nearly **70%**
- The intelligent marketing platform enhanced marketing refinement, with a **20%** increase in conversion rates



Comprehensive online tenant services and management

- The “Lianggu” mini program enabled comprehensive online merchant services and management, with 33 categories of store services going online
- “Data Cube” helped tenants access multidimensional operating data, improving operating report production efficiency by **80%**
- Various online operating tools, such as cross-brand marketing, empowered store performance growth



Comprehensive digital consumer services

36%
YoY growth in
registered users

52%
YoY growth in monthly active
users

- E-MIXC registered members increased steadily, with monthly active users over **10 million**
- Core service scenarios such as intelligent customer service, real-time collection of points, and parking payment were digitized for efficiency improvement
- Brand, product, and service expansion through e-commerce capabilities enhanced consumption experiences



Efficiency enhancement across multiple specialties in property management

- Pilot parking management platform eliminated purely vehicle positions personnel, increasing payment efficiency by **100%**
- Reconstruction of property charging system achieved full automation, improving efficiency of financial accounts closing by **31%** in 2023
- Through pre-intervention work system, the efficiency of data extraction and drawings review increased by **50%**
- Through investment management system, project management lead conversion rates increased to **49%**



Comprehensive online basic services for property owners

Smart services provided for **nearly 2 million** property owners

- The “Zhaoxi” APP and mini program achieved comprehensive online basic services, with the number of served property owners increasing by **34%** YoY
- Focusing on improvements of experience in access control, payment, reporting, request for repair, and parking services
- “Zhaoxi Mall” and MIXC Points Mall enriched value-added service offerings



Organizational Effectiveness and Talent Development

Deepening organizational reform to enhance management efficiency: The efficiency of personnel in headquarters, commercial and property management municipal branches increased by approximately 40%. Shared platforms for legal affairs, procurement, and human resources saw an efficiency increase of about 15%. The average GFA under management of each municipal branch increased by around 31% to 28.33 million sq.m. Commercial management business strengthened core resource control and improved organizational capabilities by reshaping tenant sourcing organizations and integrating office buildings' functions respectively.

Strengthening talent team construction, optimizing distribution mechanism : Increased internal talent flows and accelerated the introduction of external innovative talents. Focused on talent development in two key positions and four key specialties to strengthen the teams of shopping mall managers and property project managers. Optimized the salary system to favor frontline employees and performance contributors. Market-oriented salary structures were implemented for employees in market expansion in property management and office buildings leasing, with a focus on performance orientation.

Reshape the organization to improve efficiency

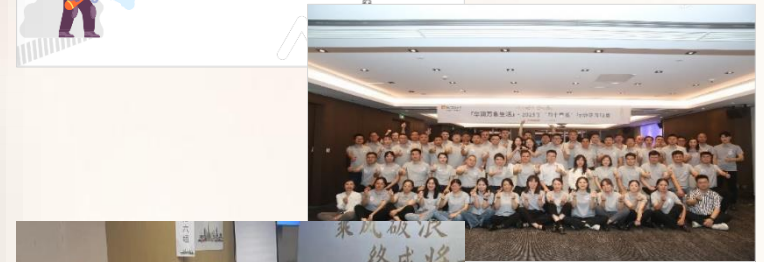
- Strategic initiatives tailored to each business enabled precise personnel allocation for platforms, resulting in a **40% increase in management platform efficiency**. Efforts to streamline shared services such as procurement and human resources administration increased **administrative efficiency by approximately 15%**.
- Through M&A integration and adjustments to urban settings, resources in property management branches became more concentrated, leading to a **30% increase in management density and a 20% increase in per capita management area**.
- The restructuring of tenant sourcing organizations strengthened the tenant sourcing platform and enhanced control over key resources. Integrated and strengthened office buildings leasing, operation, property management, and IFM integrated management capabilities.

Upgrade Talent and strengthen the team

- Increased efforts in talent acquisition have brought in 7 talents with backgrounds in commercial innovation and internationalization, enriching the talent pool.
- Increased emphasis on talent development, focusing on two key positions and four key specialties, organizing the third and fourth sessions of "MIXC MANAGEMENT TALENTS" training for shopping malls' managers, and property project managers, with a focus on learning in tenant sourcing/commercial property management/urban space management/procurement specialties.
- Significant efforts were put in building online learning platforms, offering mandatory courses for all professionals in commercial and property management business to enhance professional capabilities, with approximately 32,000 individuals completing courses.

Optimize distribution and enhance incentives

- **Increased focus on frontline staff:** 40% salary increases for frontline employees, with an average increase of 9% per person, which is the highest proportion.
- **Performance-oriented adjustments:** 49% of employees identified as top performers or those showing improvement received salary increases, with an average increase of 8% per person, which is the highest proportion. 409 employees identified as requiring improvement had their salaries reduced, with an average decrease of 9.5% per person.



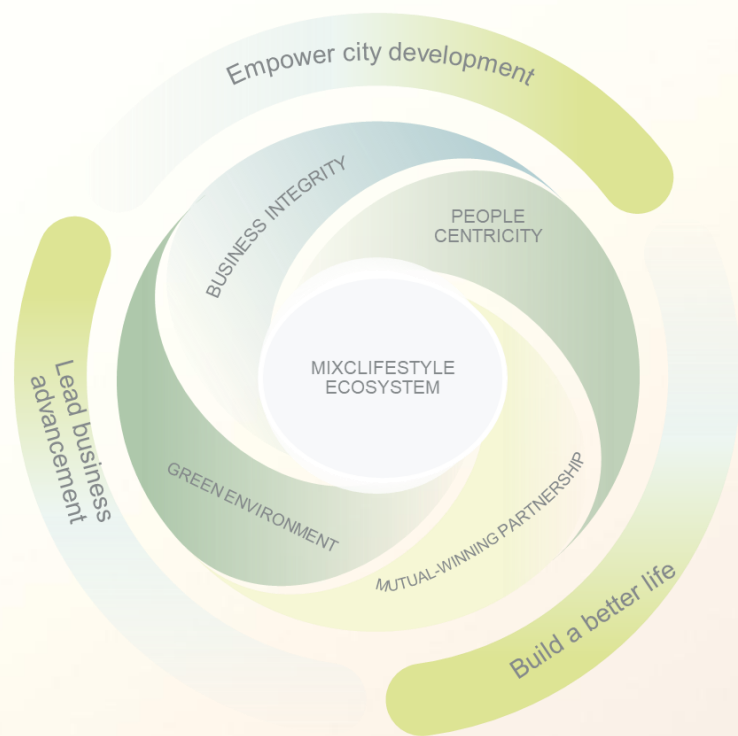
4 ESG



CR MIXC responsibility brand "Mixc Guardian"

Environmental, Social and Corporate Governance

Based on the vision of "becoming a world-leading sustainable enterprise", 22 priority issues such as community communication & inclusion, talent attraction & retention have been set in five major areas, including Mixcifestyle ecosystem, people oriented, mutual-winning partnership, green environment and business integrity.



“153” ESG Strategy of CR MIXC

22 priority issues



MIXCLIFESTYLE Ecosystem

- Community communication and inclusion
- Local economic development promotion
- Intelligent community



PEOPLE ORIENTED

- Talent attraction and retention
- Talent training and development
- Protection of labor rights and interests
- Diversity and integration
- Employee health and safety



MUTUAL-WINNING PARTNERSHIP

- Customer health and safety
- Customer communication engagement
- Customer satisfaction
- Green and sustainable supply chain



GREEN ENVIRONMENT

- Greenhouse gas emission management
- Water resources management
- Response to climate change
- Energy efficiency
- Waste management



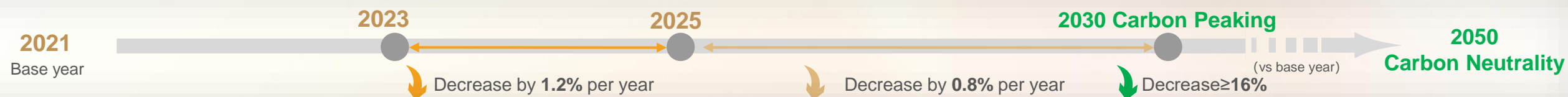
BUSINESS INTEGRITY

- Business ethics and anti-corruption
- Information security and privacy protection
- Corporate governance
- Intellectual property protection
- Risk management

Environmental, Social and Corporate Governance

Specifying phased carbon reduction targets, and actively promoting energy conservation management: The Company's Scope 1 & 2 carbon emission intensity decreased by 3.80% YoY, and it is expected to decrease by no less than 16% by 2030 compared to the base year of 2021. Actively managing Scope 3 carbon emissions, 11 new green mall certifications were obtained within the year, and green and low-carbon transformations were conducted to gradually increase the proportion of green clean energy. The newly built photovoltaic capacity added 6.42 million kW-h/year, and measures such as energy-saving renovations of air conditioning systems achieved an annual reduction of 8 million kW-h in electricity consumption.

Carbon emission intensity reduction targets for Scope 1 & 2 of CR MIXC



Green Malls

With the goal of obtaining green mall certification for 100% of malls in operation, 11 new green malls were added within the year.



Ji'nan MIXC was awarded the title of green mall

Photovoltaic Construction

Projects such as Zhengzhou MIXC, Zibo MIXC One, Nanchang MIXC, Harbin MIXC ONE, and Dalian Leduhui completed photovoltaic construction.



Zhengzhou MIXC rooftop photovoltaic

Air Conditioning Energy Saving

Projects such as China Resources Tower, Shenzhen Bay MIXC, Xiamen MIXC, Qingdao MIXC, and Chengdu MIXC completed central air conditioning refrigeration system energy-saving renovations.



China Resources Tower air conditioning renovation

Sunshade Insulation

Projects such as Hangzhou MIXC, Shenzhen MIXC, Chongqing MIXC, Tianjin MIXC, and Ji'nan MIXC completed sunshade transformation projects.



Skylight sunshade transformation

*Scope 1 & 2 refers to carbon emissions within the control of CR MIXC, including carbon emissions from self-owned office areas and public areas of sub-leasing projects; Scope 3 mainly consists of carbon emissions from property owners and tenants.

Environmental, Social and Corporate Governance

Actively fulfilling social responsibilities and sustainable commitments: The Company carried out the “CR MIXC Safeguards Hope with Love” public welfare education activities, as well as agricultural assistance activities. It practiced community communication and inclusion by encouraging employee participation in volunteer services, and implementing targeted care plans for specific groups. The Company collaborated with third parties to implement socialized emergency projects, aiming to deploy AED emergency support systems in 655 projects nationwide by 2025, integrating health and well-being into operations.

Rural Revitalization



Public Welfare Education Activities

Conducting public welfare education activities in 11 CR Hope Village and 1 natural village nationwide, **benefiting 1,247 children.**



Agricultural Assistance

Selling CR Hope Village agricultural products through platforms such as "E-MIXC," "Zhaoxi," and "CR Selection," with over **1.25 million** visits.

Volunteer Services



Assisting National College Entrance Examination

In 2023, the Company had a total of **5,234** volunteers, with **17,010** hours of volunteer services.



Children's Day Volunteer Activities



Warmth for the Elderly



Assisting Chengdu Universiade
Sharing Coolness
CR MIXC Service Station

Community Investment

Collaborating with third parties to implement socialized emergency projects, aiming to deploy AED (Automated External Defibrillator) emergency support systems in **655** projects nationwide by 2025.



Integration of Health and Well-being into Operations



Joining the WELL Plan and initiating WELL HSR* assessments for the first batch of **13** projects.

*WELL HSR is a health and safety assessment based on the international health building WELL standard.

Environmental, Social and Corporate Governance

The Company enhanced governance structure and improved information disclosure: The Board of Directors has established Sustainability Committee to enhance the ESG governance structure and improve corporate governance standards. The Company was selected as one of “Top 100 ESG Leading SOE” by the State-owned Assets Supervision and Administration Commission and CCTV’s “China’s ESG Listed Companies Pioneer 100”, receiving honors in green energy and human resources. Third-party ratings remained stable and was on the rise, with a "Low Risk" rating from Morningstar Sustainalytics and the title of "ESG Regional Top Rated (Asia Pacific area)", while MSCI ratings maintained at "BBB" .

ESG Governance Structure Enhancement



Honors



Comprehensive and Sustainable Categories:

- "Top 100 ESG Leading SOE" by State-owned Assets Supervision and Administration Commission
- “China’s ESG Listed Companies Pioneer 100” by CCTV
- "Best Hong Kong-listed Company" by Phoenix Star
- 2023 Leading Property Management Enterprise in Social Responsibility
- “Five-star” rating for the Sustainability Report by the Chinese Expert Committee on CSR Report Rating
- “Green Pioneer” Award of China Green Point by YICAI

Human Resources Category:

- 2023 China’s Best Employer in property management
- 2023 Most Beloved Employer Brand

Third-Party Ratings:



Domestic ESG Ratings:

- WIND rating upgraded from BBB to A-
- SynTao Green Finance rating upgraded from B+ to A-

International ESG Ratings:

- Morningstar: "Low Risk" rating, awarded "ESG Regional Top Rated" (Asia-Pacific Leadership) for the first time
- MSCI: "BBB" rating

5 Corporate Strategy

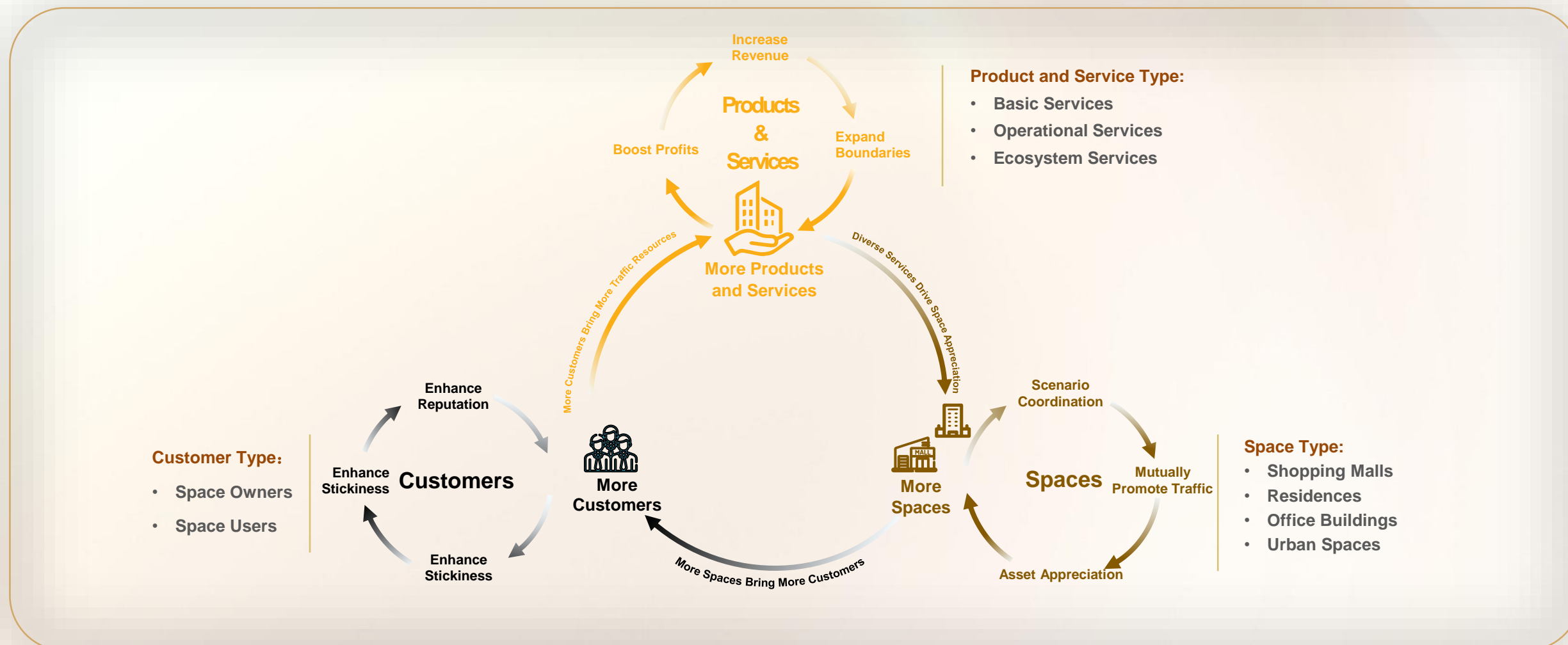


Nanchang Honggutan Mixc World

Interim Review of the 14th “Five-Year Plan”

– Synergistic and Circular Business Model

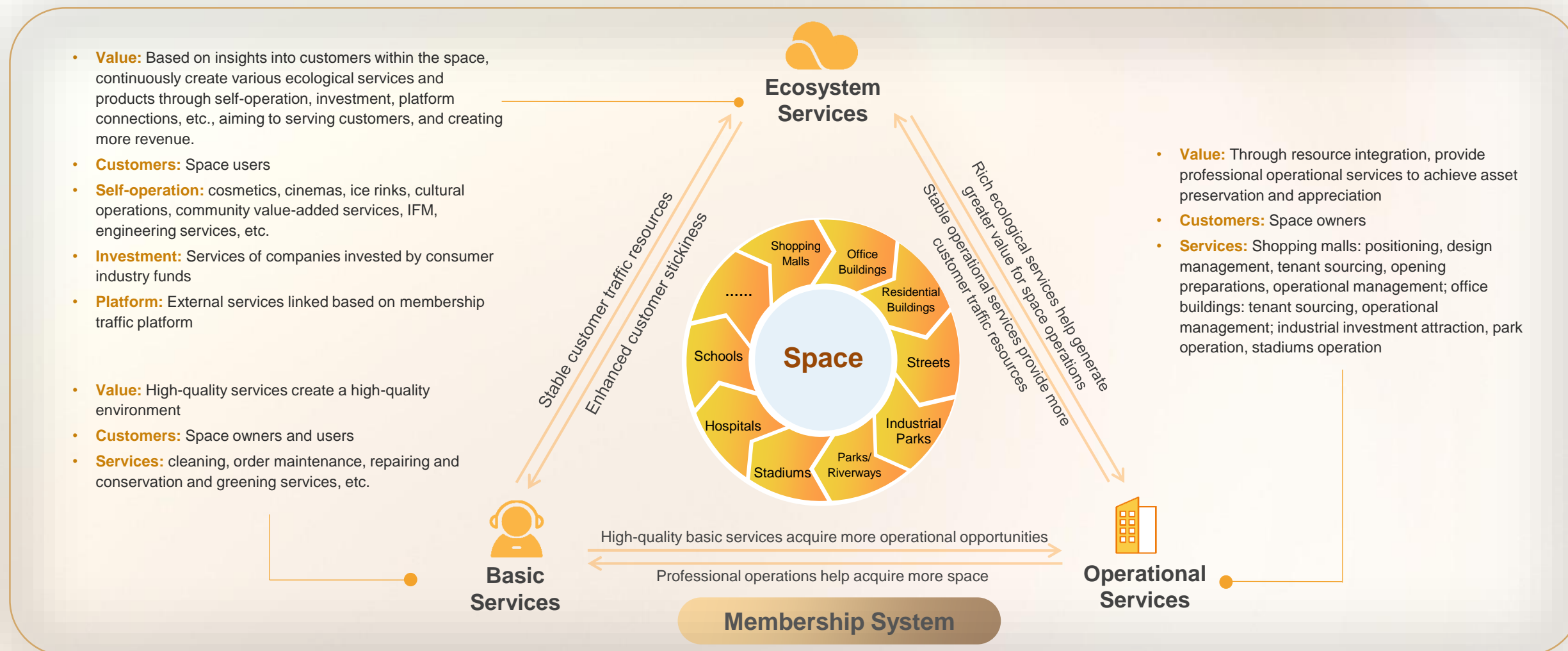
Firmly focusing on the three key elements of "Space, Customers, Products & Services", constructing synergistic and circular business model: by segmenting scenarios, serving more types of spaces within the city, reaching more space users, and establishing digital connections, the Company could provide with more diverse operational and ecosystem services. Diverse services also drive space appreciation, and more space owners are willing to entrust us with services and operations, achieving benign synergy among space, customers, products & services.



Interim Review of the 14th “Five-Year Plan”

– Diversified and Synergistic Services

Based on basic services, operational services, and ecosystem services, breaking through physical boundaries, connecting more spaces and customers: The Company adhered to the concept of high quality to provide basic services. It provided operational services to achieve space asset preservation and appreciation, utilized accumulated massive customer resources to further provide rich ecological services, create income, and enhance customer stickiness. The more spaces and customers there are, the broader the synergistic effect, the more operational opportunities, and the richer the ecology, creating greater customer value and space value, and forming a virtuous cycle.



Interim Review of the 14th “Five-Year Plan”

– Segment Focus and Lean Business Strategies

Adhering to the integrated "2+1" business model: Property management business aims to become China's most influential urban space operation service provider, and commercial management business aims to become the top comprehensive commercial operation service provider in the industry. The membership system strengthened the construction of membership moats. It continued to expand the membership scale, and accurately empowered traffic attraction across different business.

Building "2" major support systems: The Company led the track segmentation and scale expansion with strategy, achieving high-quality and large-scale development of the main business, and lean operation of the entire value chain of each track to achieve high-quality and high-efficiency operation.

Adhering to the integrated "2+1" business model

Property Management

- Become **China's most influential urban space operation service provider**
- Residential areas, urban blocks, industrial parks, parks & riverways, stadiums, etc., serve as segmented space tracks
- Engineering services as segmented business tracks
- Carry out ecological businesses such as community value-added services and urban operation services

Commercial Management

- Become **the top comprehensive commercial operation service provider in the industry**
- Focus on the three major shopping mall product lines of MIXC, MIXC World, and MIXC ONE
- For office building, create an integrated management model of "leasing + operation + property management"
- Carry out ecological businesses such as self-operated cosmetics, light-asset management of cinemas, ice rinks, and IFM
- Initiate the establishment of a consumer fund to incubate and invest in brands and content

Membership

- As the base of CR Land and CR MIXC in the membership level
- Realize membership identity access, bonus points access, rights access, and data access
- **Help various businesses efficiently reach customers, cross-market, and mutually attract traffic**

Building "2" major support systems

High-quality Scale Development

Strategic leadership in track segmentation and scale expansion

- Focus on key cities: Match the national regional strategy and firmly focus on key cities
- Area deep plowing: Focus on core projects in key areas to enhance area management density
- Refined classification expansion: Implement refined classification expansion strategies for different customer types and models in segmented tracks
- Strategic leadership in M&A: Actively explore and take the initiative based on strategic development needs

High-quality and High-efficiency Operation

Lean operation of the entire value chain of each track

- Identify segmented tracks, segmented customers, segmented products and segmented services, carry out differentiated management, and build core competitiveness of each track
- Carry out comprehensive benchmarking to enhance the organizational capabilities of the entire value chain
- Construction of shared platforms

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