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華潤萬象生活有限公司

China Resources Mixc Lifestyle Services Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1209)

CHANGE IN USE OF NET PROCEEDS FROM THE GLOBAL OFFERING AND THE EXERCISE OF THE OVER-ALLOTMENT OPTION

Reference is made to (i) the prospectus issued by China Resources Mixc Lifestyle Services Limited (the “**Company**”) (together with its subsidiaries, the “**Group**”) dated 25 November 2020 (the “**Prospectus**”) in relation to, among other things, the intended use of proceeds from the Global Offering (as defined in the prospectus) of the Company, (ii) the announcement of the Company dated 23 December 2020 in relation to the full exercise of the Over-allotment Option, and (iii) the disclosure on the utilisation of the net proceeds received from the Global Offering and the full exercise of the Over-allotment Option (the “**Net Proceeds**”) in the 2020 annual report, 2021 interim report, 2021 annual report, 2022 interim report, 2022 annual report and 2023 interim report of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same respective meanings as those defined in the Prospectus.

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company hereby announces that after careful consideration and detailed evaluation of the Group’s operations and business strategy, the Board has resolved to change the use of the unutilised portion of the Net Proceeds in the manner as set out below.

CHANGE IN USE OF UNUTILISED NET PROCEEDS

The original intended purposes and uses of the Net Proceeds, which amounted to approximately HK\$12,004.6 million (equivalent to approximately RMB11,600.4 million (calculated at the exchange rate adopted for the 2020 annual report of the Company)), were disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As at 29 February 2024, the Group has utilised approximately RMB4,560.4 million (equivalent to approximately HK\$4,719.3 million) of the Net Proceeds and the unutilised portion of the Net Proceeds amounted to approximately RMB7,040.0 million (equivalent to approximately HK\$7,285.3 million) (the “**Unutilised Net Proceeds**”).

The Board has resolved to change the use of the Unutilised Net Proceeds as follows:

	Intended use of Net Proceeds as disclosed in the Prospectus <i>RMB million</i>	Utilised Net Proceeds as at 29 February 2024 <i>RMB million</i>	Unutilised Net Proceeds as at 29 February 2024 <i>RMB million</i>	Updated use of the Unutilised Net Proceeds <i>RMB million</i>
1. Making strategic investments and acquisitions to expand our property management and commercial operational businesses	6,960.3	2,461.8	4,498.5	2,758.5
1.1 acquisitions of property management service providers that can either reinforce our market leading position and presence in regional markets, or will provide synergies with our strategies	2,900.1	1,878.6	1,021.5	441.5
1.2 obtaining new projects located in areas of strategic importance to our business, through collaboration with local government investment platforms, state- owned enterprises and peers with a market positioning similar to ours	580.0	64.1	515.9	515.9
1.3 strategic acquisitions of, and investments in, other commercial operational companies, to obtain quality commercial property projects, enrich our project portfolio and enhance industry influence	2,320.1	–	2,320.1	580.0
1.4 expanding commercial subleasing business	1,160.1	519.1	641.0	1,221.1

	Intended use of Net Proceeds as disclosed in the Prospectus <i>RMB million</i>	Utilised Net Proceeds as at 29 February 2024 <i>RMB million</i>	Unutilised Net Proceeds as at 29 February 2024 <i>RMB million</i>	Updated use of the Unutilised Net Proceeds <i>RMB million</i>
2. Pursuing strategic investment in providers of value-added services and across the upstream and downstream supply chain of our industry	1,740.1	436.2	1,303.9	3,043.9
2.1 strategic investment in national or regional service providers with specialised businesses that are synergistic with our business, such as property brokerage, asset management and new retail	812.1	–	812.1	2,320.1
2.2 strategic investment in business partners along our upstream and downstream supply chain, such as companies of home delivery services and smart home technologies, as well as service platforms of vertical markets	464.0	–	464.0	580.0
2.3 strengthening our service offerings concerning customers' living and commercial activities	464.0	436.2	27.8	143.8
3. Investing in information technology systems and smart communities	1,740.1	502.5	1,237.6	1,237.6
3.1 developing smart technology solutions that support business operations and improve customer experience, including IoT equipment and facilities	696.1	38.5	657.6	309.6
3.2 strategic investment in technology companies relating to commercial operations, property management and urban management	580.0	–	580.0	232.0

	Intended use of Net Proceeds as disclosed in the Prospectus RMB million	Utilised Net Proceeds as at 29 February 2024 RMB million	Unutilised Net Proceeds as at 29 February 2024 RMB million	Updated use of the Unutilised Net Proceeds RMB million
3.3 continual upgrades of our internal business operations with various functions including investment, tenant sourcing, customer traffic monitoring, membership management and property management services	232.0	232.0	–	348.0
3.4 continual upgrades of our digitised service platforms, such as “E-MIXC (一點萬象)”, “Zhaoxi (朝昔)” and “Officeasy” to create better experience for users	232.0	232.0	–	348.0
4. Working capital and general corporate uses	1,160.0	1,160.0	–	–
Total	11,600.4	4,560.4	7,040.0	7,040.0

Note: The sum of the data may not add up to the total due to rounding.

On the basis of the change in use of Unutilised Net Proceeds as set out in the table above, the Company currently expects to fully utilise the Unutilised Net Proceeds in all the categories and each of the specific uses that are set out in the above table by 31 December 2027. The expected timeline for utilising the Unutilised Net Proceeds is based on the best estimation of the commercial market situations made by the Board. It might be subject to changes based on the market conditions.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

Making strategic investments and acquisitions to expand property management and commercial operational businesses

The Company originally intended to apply approximately 60% of the Net Proceeds of approximately RMB6,960.3 million in making strategic investments and acquisitions to expand property management and commercial operational businesses, among which, 25% of the Net Proceeds of approximately RMB2,900.1 million in acquisitions of property management service providers, 20% of the Net Proceeds of approximately RMB2,320.1 million in strategic acquisitions of, and investments in, other commercial operational companies and 10% of the Net Proceeds of approximately RMB1,160.1 million in expanding commercial subleasing business. The Company has been actively looking for strategic investment and acquisition opportunities since its shares became listed on the main board of the Stock Exchange of Hong Kong Limited on 9 December 2020 (the “**Listing**”). However, the number of quality property management service providers identified as acquisition targets in the market has been limited and that the Company successfully

identified four suitable targets and completed the acquisition of these property management service providers, two of which constituted discloseable transaction of the Company (for details, please refer to the announcements of the Company dated 5 January 2022 and 20 January 2022, and supplemental announcements of the Company dated 8 March 2022 and 27 April 2022, respectively); on the other hand, the Company has not been able to identify any target companies of commercial operational company that meets the strategies set by the Group since its Listing and up to the date of this announcement. The Company has however completed the implementation of one quality commercial subleasing business project since its Listing and is committed to obtaining quality subleasing projects based on prudent assessment as a complementary channel to securing projects from third parties.

Considering that there are insufficient suitable quality acquisition targets with appropriate valuations, the Company believes that reallocating part of the Unutilised Net Proceeds to expanding commercial subleasing business can improve the efficiency of the Group's use of Unutilised Net Proceeds while promoting the healthy and sustainable development of the Group. Therefore, the Board has resolved to (i) reallocate 17.3% of the Unutilised Net Proceeds of approximately RMB1,221.1 million on expanding commercial subleasing business, whilst reducing the allocation on (ii) acquisitions of property management service providers to 6.3% of the Unutilised Net Proceeds of approximately RMB441.5 million, and (iii) strategic acquisitions of and investments in other commercial operational companies to 8.2% of the Unutilised Net Proceeds of approximately RMB580.0 million. Notwithstanding the reallocation, the Company will closely monitor market developments. Should there be any opportunities for potential acquisitions of property management service providers and commercial operational companies which meet the criterion set by the Group, it will proceed with acquisition of suitable target companies with the Unutilised Net Proceeds remaining for such purpose (with the Group's internal resources, where required) as and when appropriate.

Pursuing strategic investment in providers of value-added services and across the upstream and downstream supply chain of the Company's industry

The Company originally planned to invest approximately 15% of the Net Proceeds of approximately RMB1,740.1 million in pursuing strategic investment in providers of value-added services and across the upstream and downstream supply chain of its industry, among which, 7% of the Net Proceeds of approximately RMB812.1 million in strategic investment in national or regional service providers with specialised businesses that are synergistic with the Group's business, such as property brokerage, asset management and new retail, 4% of the Net Proceeds of approximately RMB464.0 million in strategic investment in business partners along its upstream and downstream supply chain, such as companies of home delivery services and smart home technologies, as well as service platforms of vertical markets, and 4% of the Net Proceeds of approximately RMB464.0 million in strengthening service offerings concerning customers' living and commercial activities.

Based on the Company's strategic and operational development needs, having considered: (i) the results of interim review of the Group's "14th Five-Year Plan"; (ii) the construction of the commercial management segment ecosystem; (iii) the development of specialised value-added services capability; and (iv) the Group's demand for hardware infrastructure, the Company intends to reallocate part of the remaining Net Proceeds to the following matters: in order to facilitate the construction of commercial management segment ecosystem, including the implementation and development of premium cosmetics business and potential business acquisition, and implement and development of new consumer technology funds business, the Board has resolved to (i) reallocate 33.0% of the Unutilised Net Proceeds of approximately RMB2,320.1 million for strategic investment in national or regional service providers with specialised businesses that are synergistic with the Group's business; (ii) reallocate 8.2% of the Unutilised Net Proceeds of approximately RMB580.0 million for strategic investment in business partners along its upstream and downstream supply chain, so that the Company can better proceed with investment in companies with specialised value-added service capacities, such as construction companies; and (iii) reallocate 2.0% of the Unutilised Net Proceeds of approximately RMB143.8 million for strengthening service offerings concerning customers' living and commercial activities, so as to constantly upgrade the project-side hardware infrastructure to ensure quality and improve manpower efficiency.

Investing in information technology systems and smart communities

The Company originally intended to invest approximately 15% of the Net Proceeds of approximately RMB1,740.1 million in investing in information technology systems and smart communities, among which, 6% of the Net Proceeds of approximately RMB696.1 million in developing smart technology solutions that support business operations and improve customer experience, including IoT equipment and facilities, 5% of the Net Proceeds of approximately RMB580.0 million in strategic investment in technology companies relating to commercial operations, property management and urban management, 2% of the Net Proceeds of approximately RMB232.0 million in continual upgrades of internal business operations with various functions including investment, tenant sourcing, customer traffic monitoring, membership management and property management services, and 2% of the Net Proceeds of approximately RMB232.0 million in continual upgrades of the digitised service platforms, such as "E-MIXC," "Zhaoxi" and "Officeasy" to create better experience for users.

However, considering (i) the delayed progress of use of the Net Proceeds in developing smart technology solutions that were intended to support business operations and improve customer experience and strategic investment in technology companies relating to commercial operations, property management and urban management; and (ii) the proportion of the originally allocated Net Proceeds in continual upgrades of the Group's internal business operations with various functions and continual upgrades of our Group's digitised service platforms has been fully utilised, and the Company will maintain its endeavour to upgrade its internal business operations information technology systems and digitised service platforms to keep the appeal and relevance of these platforms to the users and to keep these platforms up to date with the latest technological advancements. As such, the Board considers that the proposed change of use of the Unutilised Net Proceeds to continual upgrades of internal business operation platforms and digitised service platforms fits the Group's digital transformation strategy and would be able to bring the benefits

of facilitating the rebuilding of internal business operation procedures and optimising the Group's use of funds in advancing its technological transformation. Therefore, the Board has resolved to (i) reallocate 4.9% of the Unutilised Net Proceeds of approximately RMB348.0 million to continual upgrades of internal business operations with various functions, (ii) reallocate 4.9% of the Unutilised Net Proceeds of approximately RMB348.0 million to continual upgrades of digitised service platforms, such as "E-MIXC," "Zhaoxi" and "Officeasy", to create better experience for users, whilst reducing the allocation on (iii) developing smart technology solutions that support business operations and improve customer experience to 4.4% of the Unutilised Net Proceeds of approximately RMB309.6 million, and (iv) strategic investment in technology companies relating to commercial operations, property management and urban management to 3.3% of the Unutilised Net Proceeds of approximately RMB232.0 million. Notwithstanding the reallocation, with the continued progress of digital transformation, the Company will closely monitor the opportunities for potential acquisitions of quality technology companies which meet the criterion set by our Group.

GENERAL

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. The Board believes the above changes in the use of the Unutilised Net Proceeds would allow the Company to deploy its financial resources more efficiently and enhance the business performance of the Group in the long run and is therefore in the interests of the Group and the Shareholders as a whole.

On the progress of the use of the Unutilised Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report and interim report going forward. The Company will make further announcement(s) in accordance with the requirements under the Rules Governing the Listing of Securities on the Stock Exchange and other applicable laws as and when appropriate.

The Board will continuously monitor the use of the Unutilised Net Proceeds and may revise or amend the plan for such use where necessary to cope with market conditions and strive for better business performance of the Group. The Company will make further announcement as and when appropriate in that case.

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

The PRC, 25 March 2024

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

For the purpose of this announcement, unless specified otherwise, the exchange rate of RMB1 = HK\$1.03484 has been used for currency translation, where applicable. Such exchange rate is for illustrative purposes and does not constitute representations that any amount in RMB or HK\$ has been, could have been or may be converted at such a rate.