



華潤萬象生活有限公司

China Resources Mixc Lifestyle Services Limited

(Stock Code 股份代號: 1209)

非凡城市
萬象生長

2021

Annual Results Announcement
年度業績發佈會



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01 Results Highlights

Results Highlights

Full Achievement of the Commitment for the First Year After Listing

Revenue

8.875 billion

YoY Increase **30.9%**



Total GFA under management

164.8 million sq.m.

YoY Increase **39.0%**



Retail Sales of Shopping malls

118.9 billion

YoY Increase **43.8%**



Core Net Profit

1.702 billion

YoY Increase **108.5%**



Contracted GFA Expansion

35.9 million sq.m.

YoY Increase **320.5%**



Operating Profit margin of Shopping Malls

60.9%

YoY Increase **9.9 ppt**



Earnings per share

0.756

YoY Increase **55.9%**



Gross Profit Margin of Basic Properties

15.0%

YoY Increase **2.7 ppt**



Newly Acquired Third-Party Shopping Malls

12

Aggregate GFA 1.24 million sq. m.



Dividend per share

0.276

Annual Distribution Rate 37%



Revenue from Value-Added Services for Property Owners

725 million

YoY Increase **86.9%**



Number of Members

25.55 million

YoY increased **50.8%**



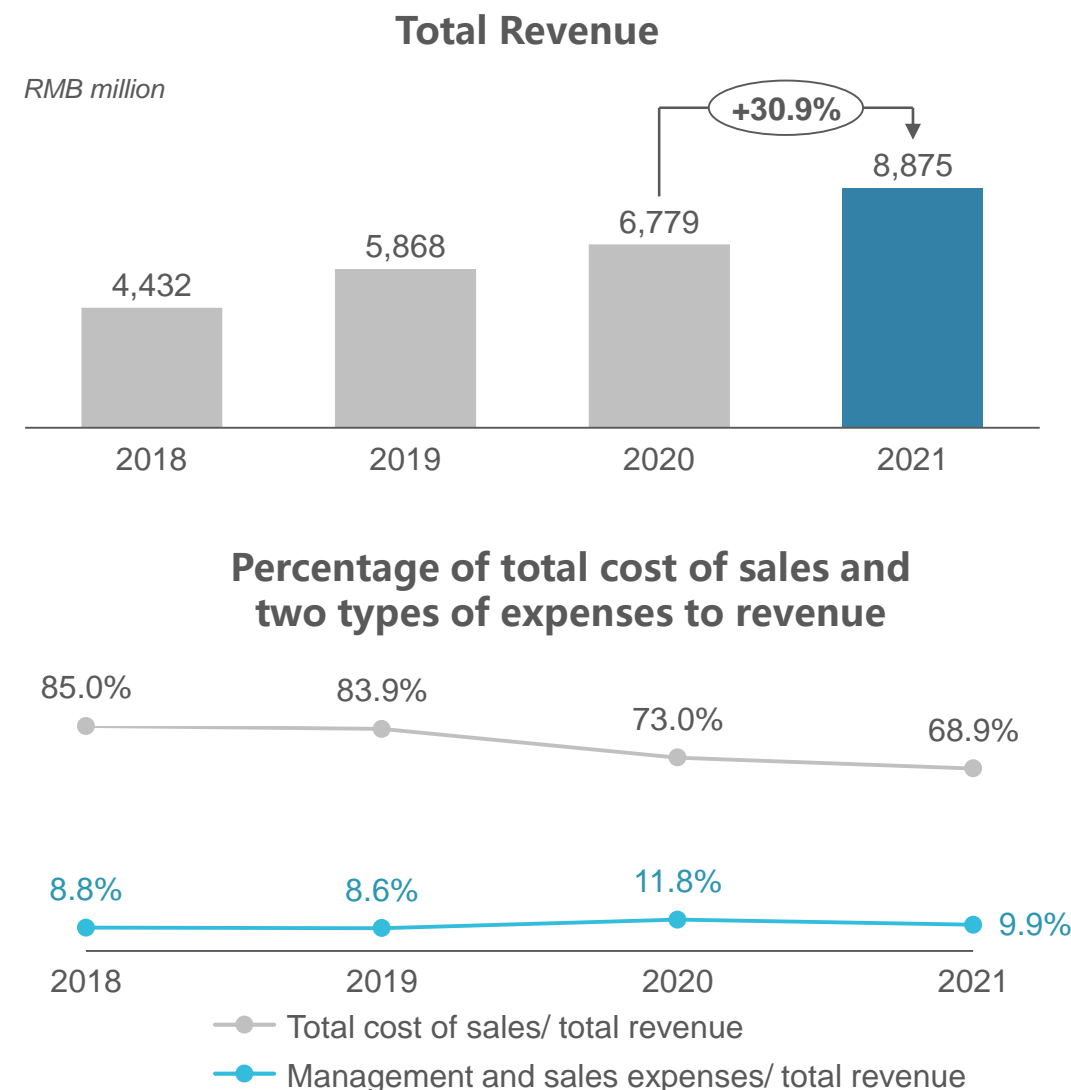
02 Financial Review



Statement of Profit or Loss

Rapid increase in revenue, optimized operating efficiency: Total revenue increased by 30.9% YoY to RMB 8.875 billion; the percentage of total cost of sales to total revenue decreased by 4.1 percentage points YoY to 68.9% and the percentage of management and sales expenses to total revenue decreased by 1.9 Percentage points YoY to 9.9%.

RMB' million	2021	2020	Change
Revenue	8,875	6,779	30.9%
Property management segment	5,310	3,884	36.7%
Commerical Office Operation segment	3,565	2,895	23.2%
Gross Profit	2,759	1,827	51.0%
Property management segment	1,025	617	66.1%
Commerical Office Operation segment	1,733	1,210	43.3%
Gross Profit Margin	31.1%	27.0%	4.1ppt
Property management segment	19.3%	15.9%	3.4ppt
Commerical Office Operation segment	48.6%	41.8%	6.8ppt
Net Profit	1,726	818	111.1%
Core net profit	1,702	816	108.5%
Core net profit margin	19.2%	12.0%	7.1ppt
Earnings per share	0.756	0.485	55.9%
Dividend per share	0.276	0.132	109.1%

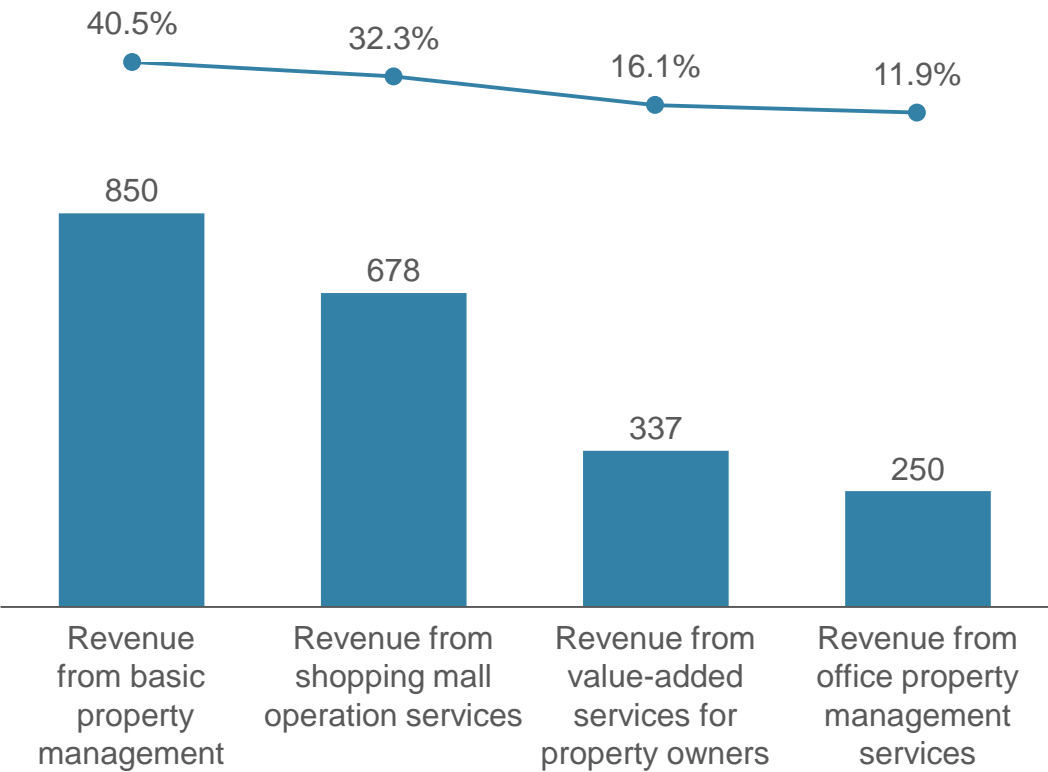


Outstanding space operation capability driving rapid increase in revenue: benefited from the growth of GFA under management, revenue from basic property management services for residential and office buildings rose 29.0% and 24.2% YoY respectively, while our outstanding space operation capability drove revenue from community value-added services and shopping mall operation services to increase 86.9% and 85.7% YoY respectively.

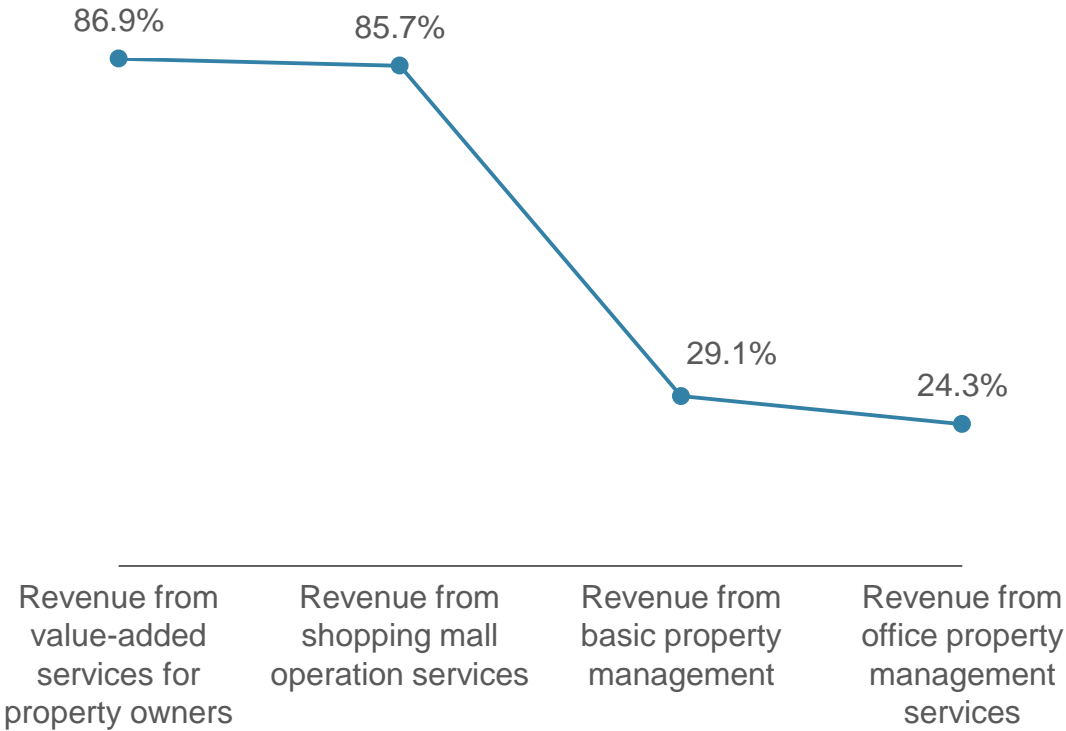
Key driving forces for revenue increase

RMB million

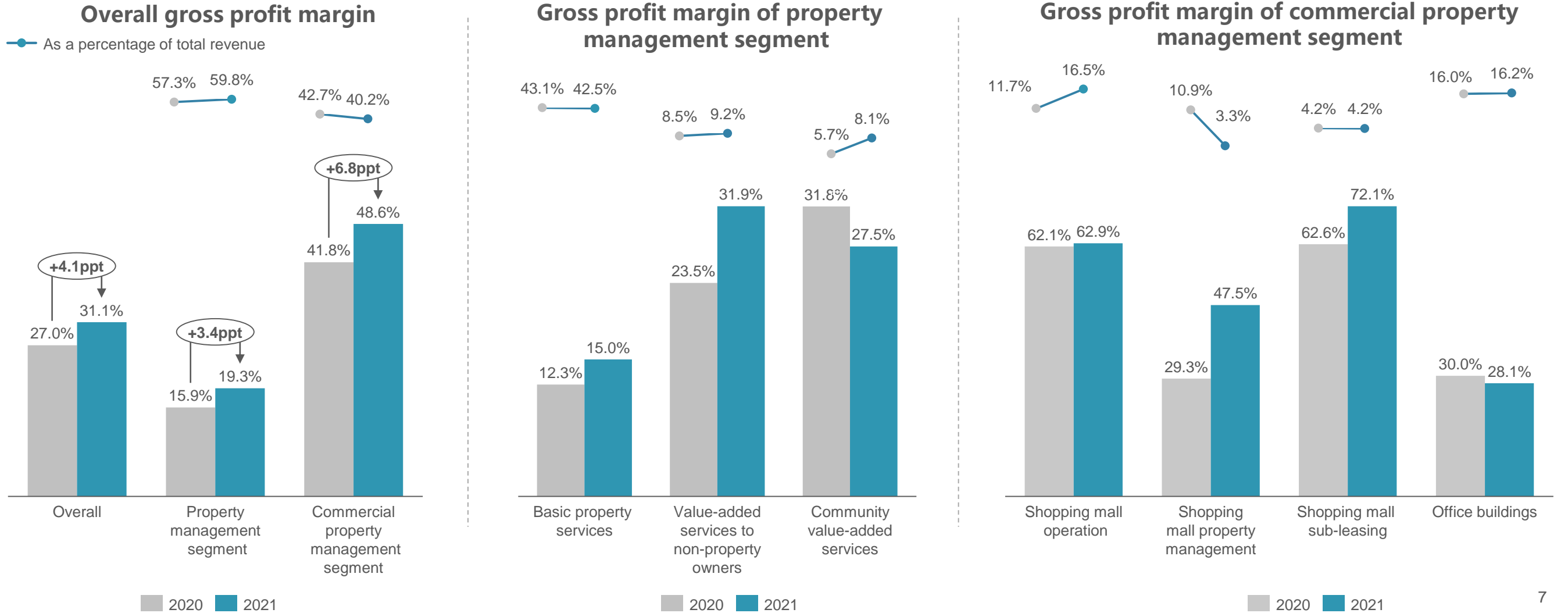
As a percentage of revenue increase



Revenue increase YoY

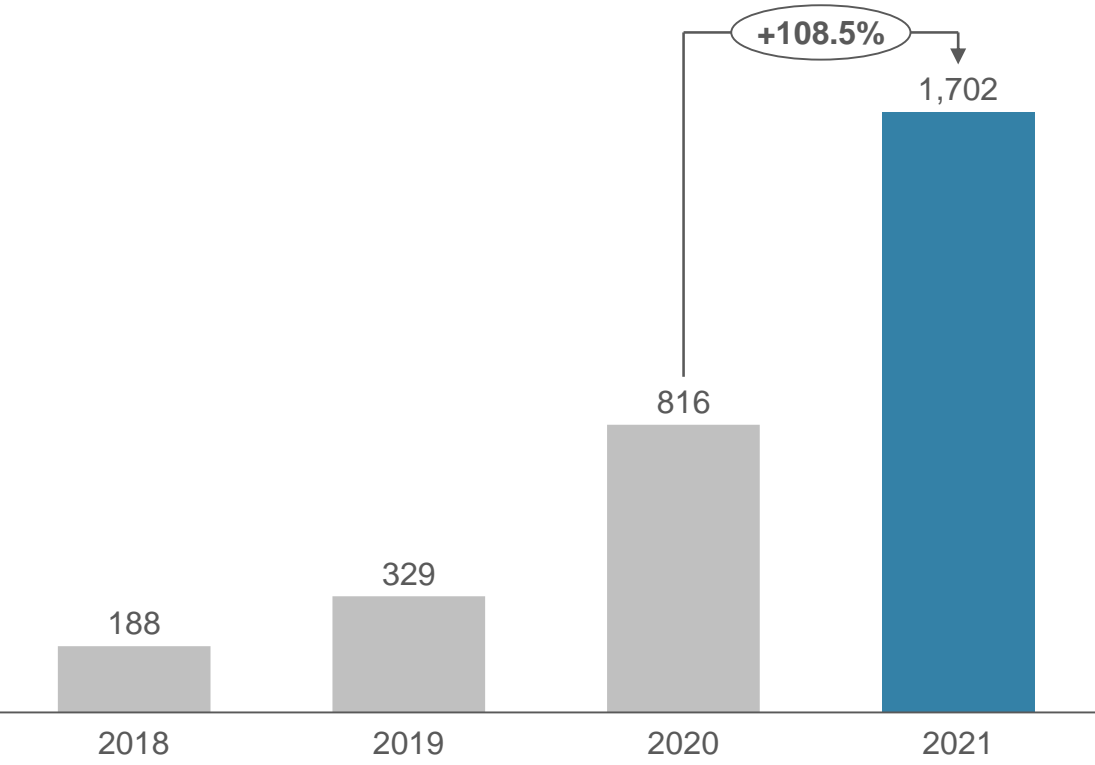


Overall gross profit margin reaching historical high: benefited from the optimization of basic property services, the percentage of revenue from community value-added services to total revenue increased to 8.1% and gross profit margin of property management segment grew 3.4 percentage point YoY. Driven by the growth in the percentage of revenue from shopping mall operation services to total revenue of 16.5%, gross profit margin of commercial property management segment increased 6.8 percentage point YoY, and the property management and commercial property management segments boosted the overall revenue to increase by 4.1 percentage points to 31.1%.

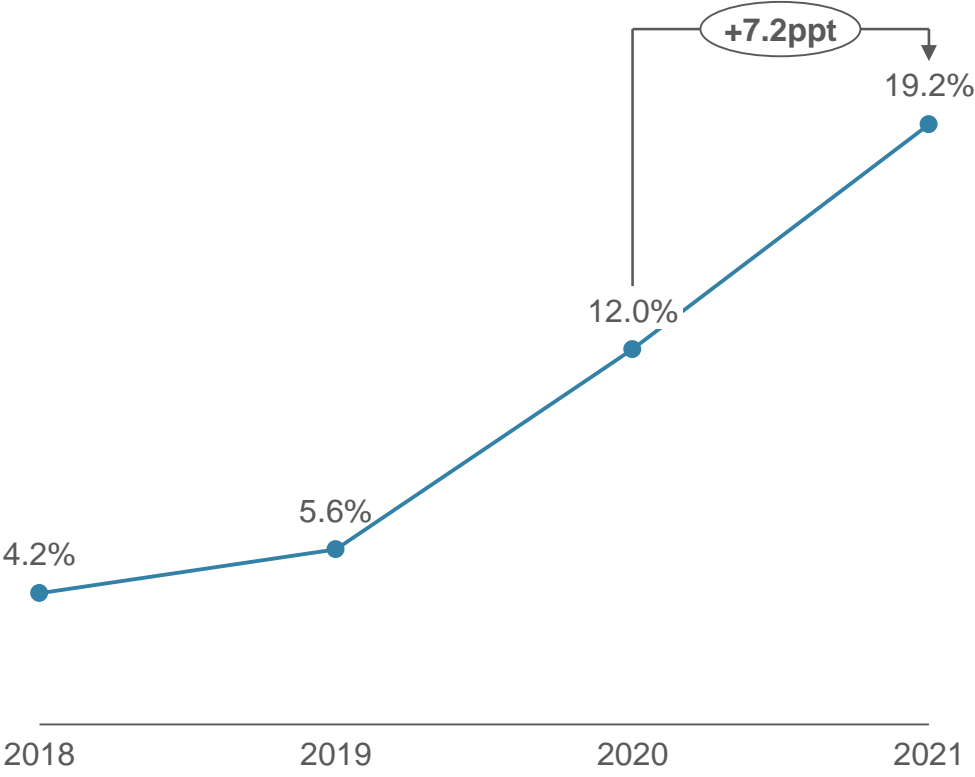


Core net profit doubled with industry leading core net profit margin: the core net profit for the year increased by 108.5% to RMB1.702 billion, and core net profit margin rose significantly by 7.2percentage points to 19.2%.

Core net profit



Core net profit margin

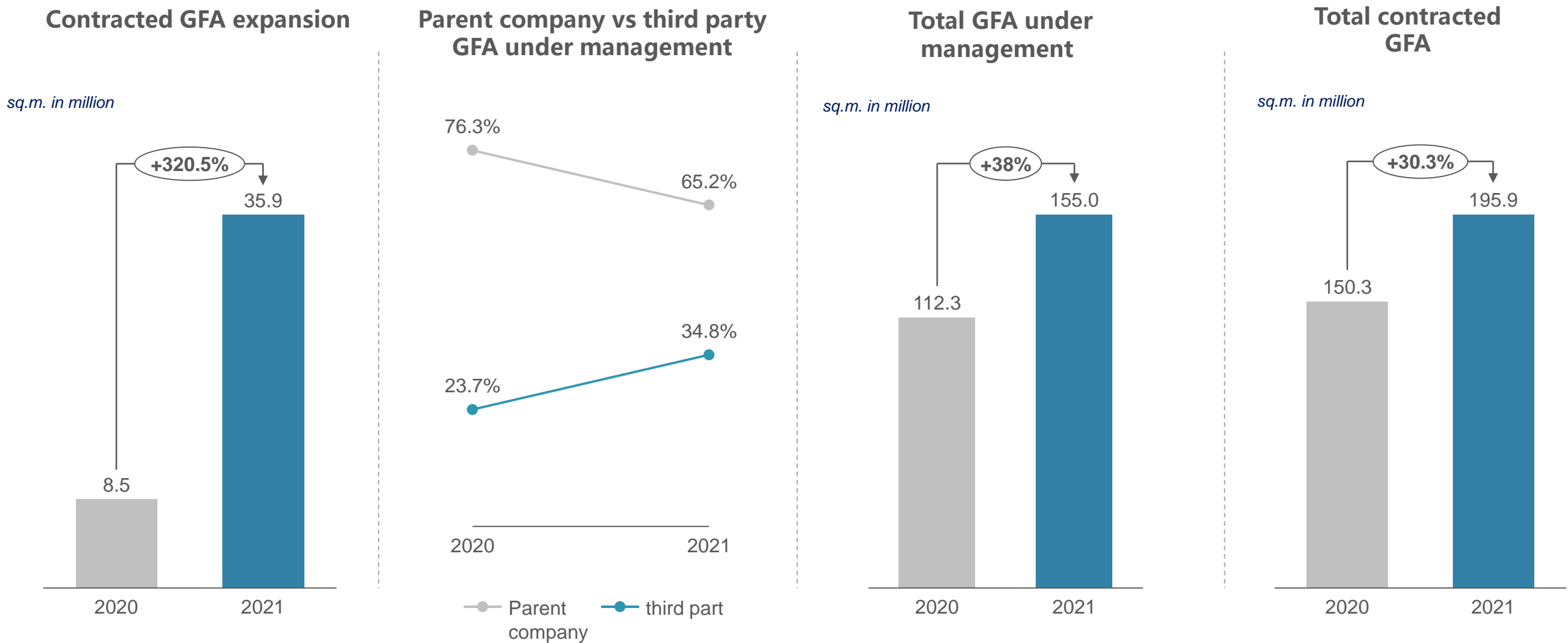


03 Business Review



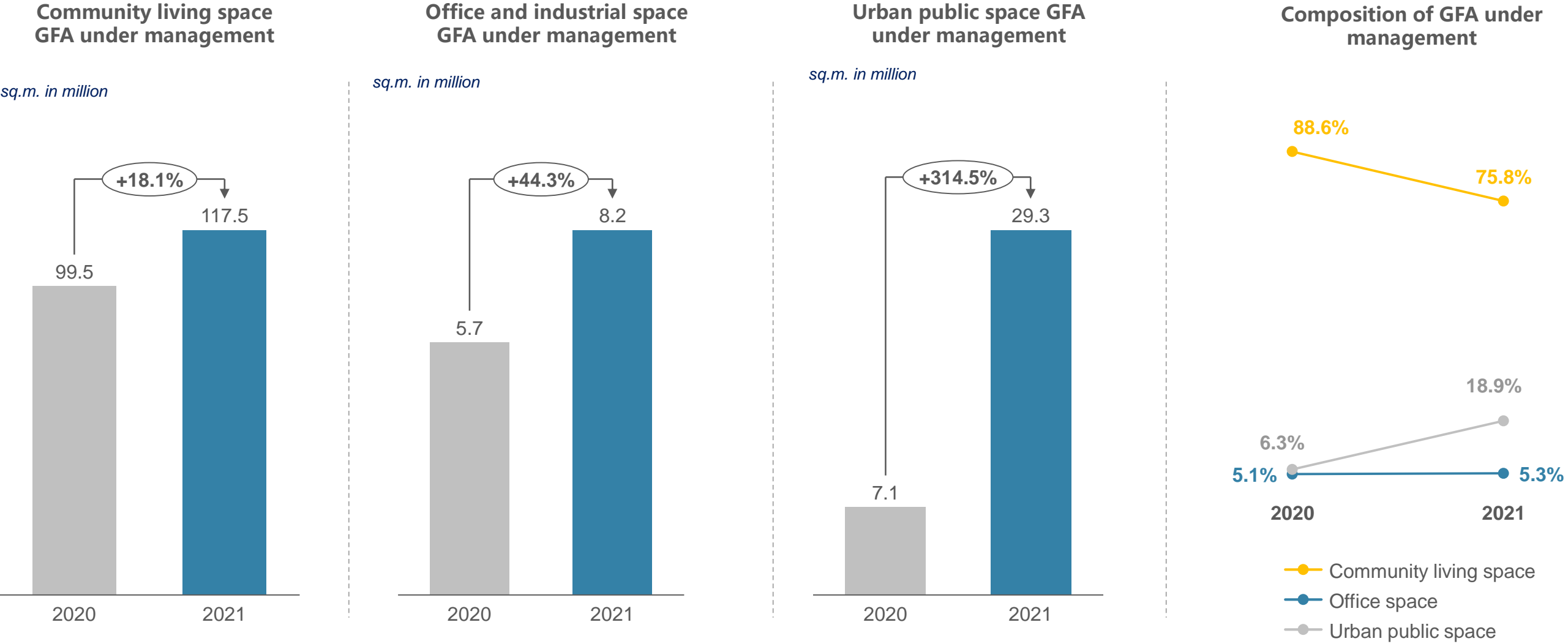
Property management business – enlarged scale

Market expansion achieving breakthrough with third-party GFA ratio improving: contracted GFA expansion for the year reached 35.90 million sq. m., representing an YoY increase of 320.5%. The ratio of third-party GFA under management increased 11.1 percentage points to 34.8%. As of the end of 2021, total GFA under management was 155 million sq. m. and total contracted GFA was 196 million sq. m..



Property management business – enlarged scale

Intensifying development in urban public space, strengthening strategic transformation: 50 urban space projects were secured during the year, annual contracted amount reached RMB293 million, and the urban public space GFA under management grew by 314.5% YoY to 29.30 million sq. m. with a ratio increased by 12.6 percentage points to 18.9 percentage points.



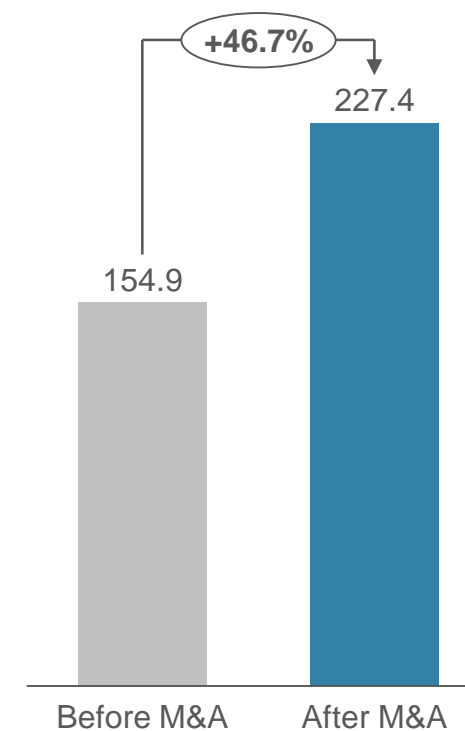
Property management business – enlarged scale

Upholding investment determination, reaching breakthrough in merger and acquisition, pioneering in state-owned enterprises merger and acquisition: at the beginning of 2022, Yuzhou and Zhongnan projects have been rapidly confirmed with newly acquired GFA under management of 72.48 million sq. m. and contracted GFA of 122 million sq. m.. Upon completion of the acquisition, the total contracted GFA of the Company will be over 300 million sq. m., further enhancing regional penetration and scale of economy.

	Yuzhou Project	Zhongnan Project	Total
M&A equity ratio	100%	100%	N.A
GFA under management (million in sq. m.)	2,101	5,147	7,248
Contracted GFA (million in sq. m.)	3,149	9,088	12,237
2021 expected net profit (RMB 100 million)	0.76	1.76	2.52
Key project distribution	Along the coast of eastern and southern China	Yangtze River Delta	N.A

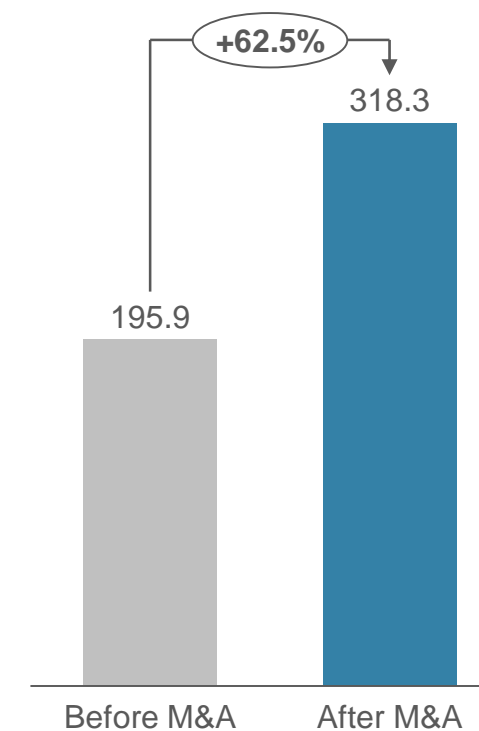
GFA under management

Million in sq.m.



Contracted GFA

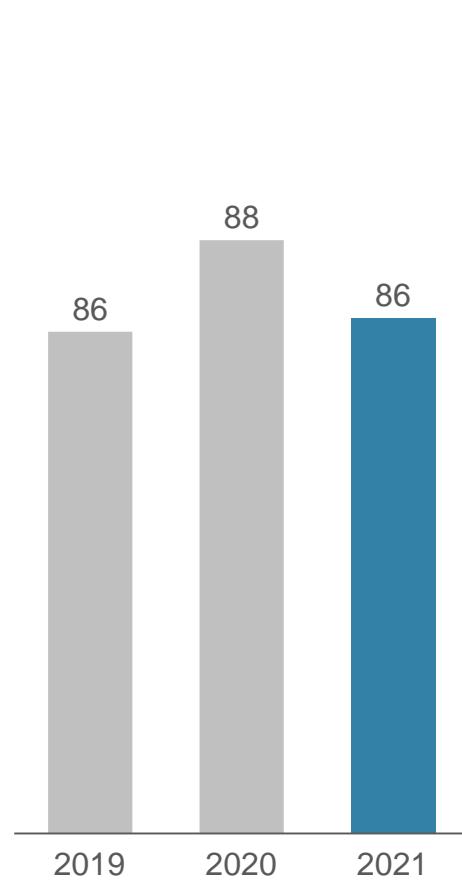
Million in sq. m.



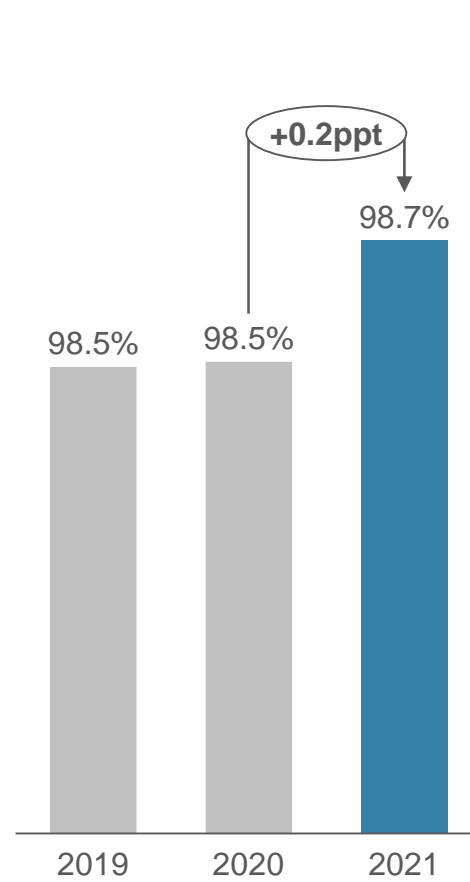
Property management business – service quality

By adhering to provide high quality services, quality performance index continued to improve with customer satisfaction reaching 86%, maintaining industry-leading level. Contract renewal rate remained at high level of 98.7%; fee collection rate increased to 94.4% and the gross profit margin of basic property grew by 2.7 percentage points to 15.0%.

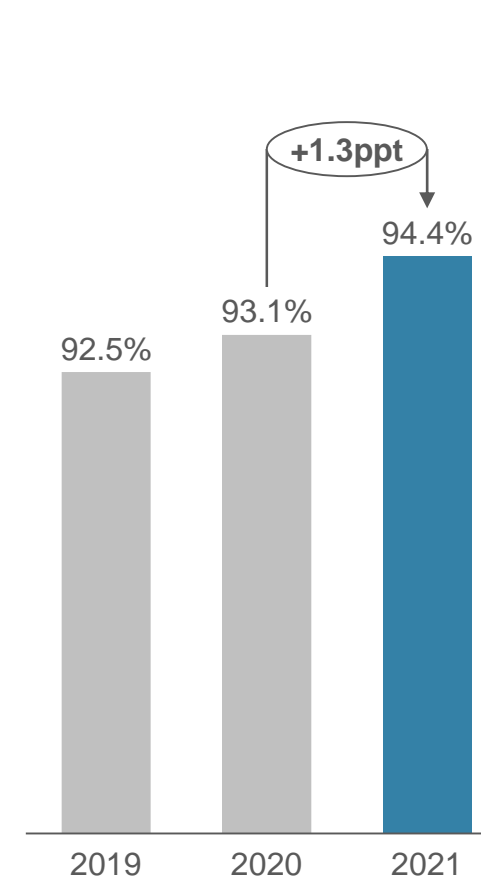
Customer Satisfaction



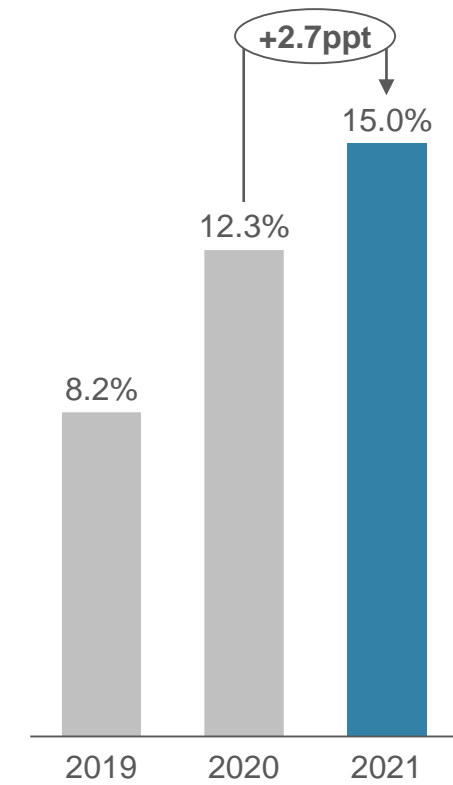
Contract renewal rate



Fee collection rate

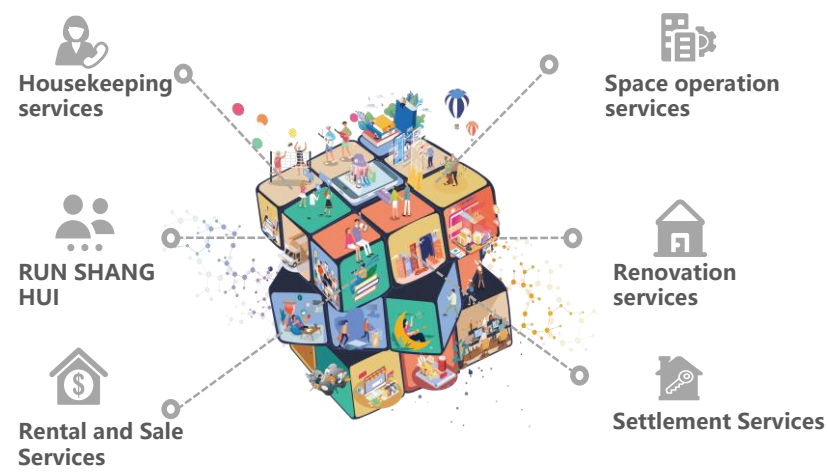


Gross profit margin of basic property

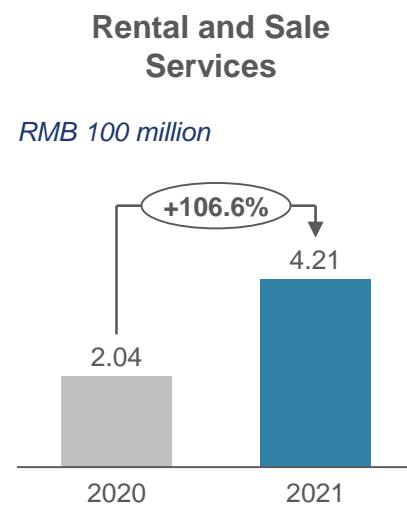
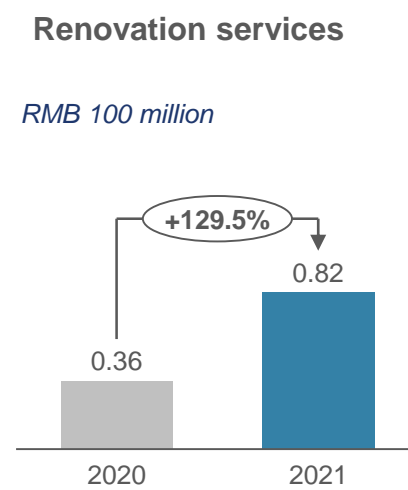
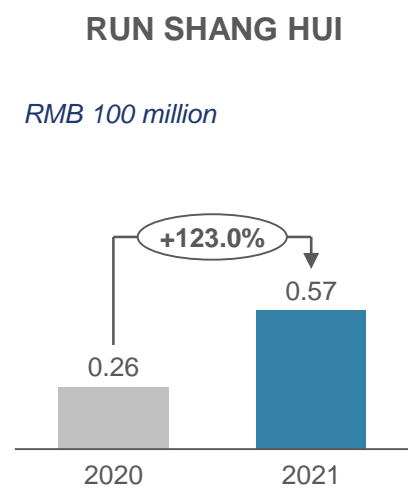
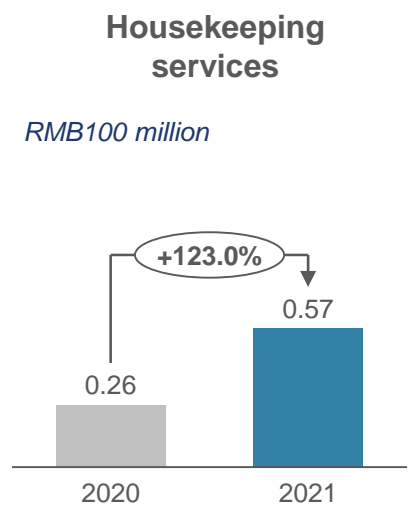
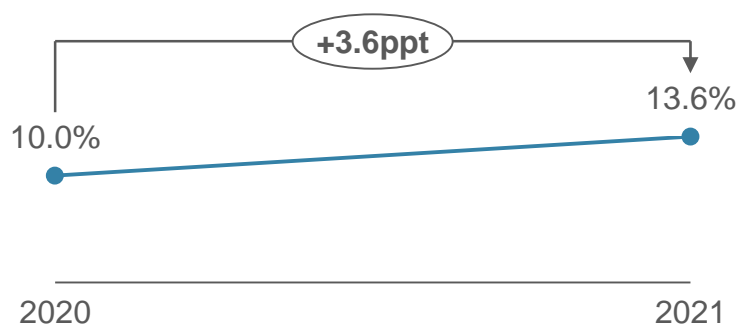


Property Management Business – community value-added services

By building a product category of providing value added services to property owners, doubled segmental revenue was recorded: A percentage of revenue from valued added services to property owners to revenue from property management business increased by 3.6 percentage points YoY to 13.6%, while segmental revenue from housekeeping services, participation in trade associations, renovation services, leasing and sales services grew by 100% YoY.



Percentage of revenue from valued added services to property owners to revenue from property management business

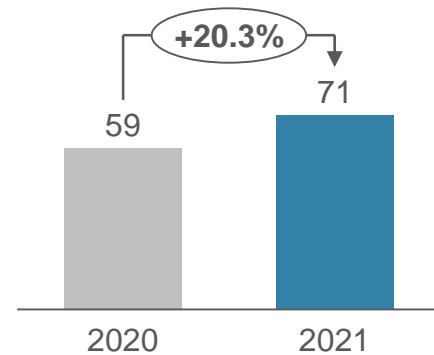


Commercial property management business – shopping malls

Further consolidating our industry-leading position: number of projects under operation increased to 71 with improving operation quality, of which retail sales of 54 projects ranked top 3 in local market. There were 8 luxury shopping malls under operation, ranking first among industry players and also in the list of authoritative commercial property players.

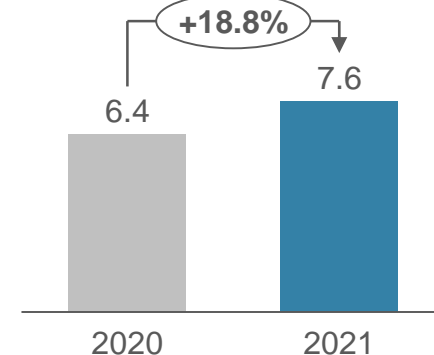
Growing management scale

Number of projects under operation



GFA under operation

Million in sq. m.



Being market leader in terms of retail sales

Number of projects ranked No.1 27

Number of projects ranked top 3 54

Ratio of number of projects ranked top 3 76%

Being industry leader in terms of number of luxury projects

Shenzhen MIXC

Shenyang MIXC

Chongqing MIXC

Shenzhen Bay MIXC

Hangzhou MIXC

Nanning MIXC

Xiamen MIXC

Tianjin MIXC

Ranked first in the list of authoritative commercial property players



NO. 1

2020 Most influential commercial real estate enterprises*

NO. 1

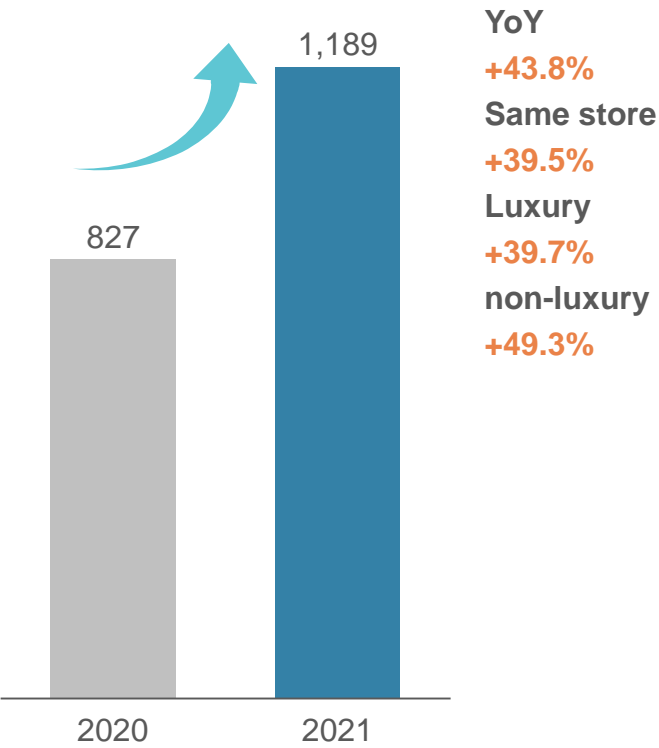
2021 China TOP 100 commercial property enterprises*

Commercial property management business – shopping malls

Outstanding operation capability: retails sales for the year increased 43.8%, which recorded the first-ever hitting of RMB100 billion. Rental income grew by 35.4% YoY to RMB15.2 billion, and EBITDA margin increased by 9.9 percentage points YoY to 60.9%.

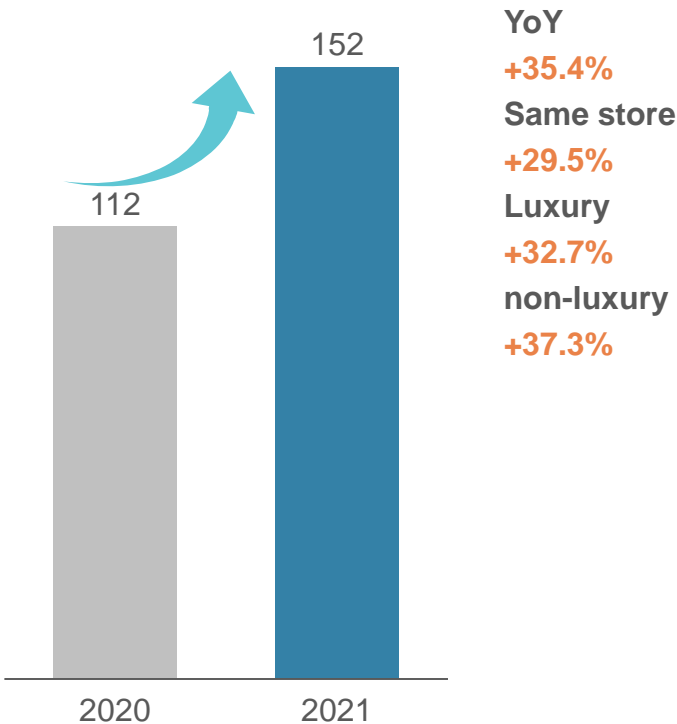
Retail sales

RMB 100 million

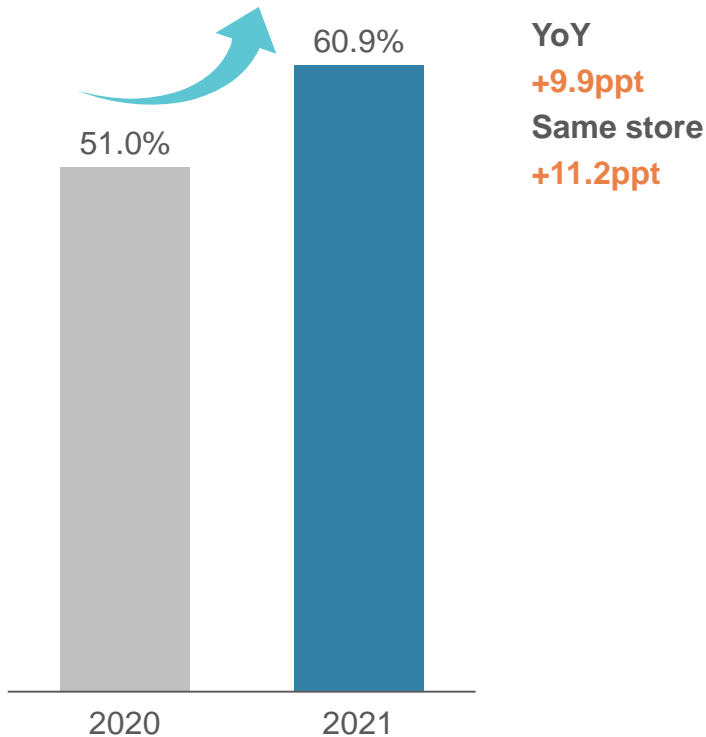


Rental income

RMB 100 million



EBITDA Margin



Commercial property management business – shopping malls

Excellent capability to reach mutual benefits through brands cooperation and become a rich resources pool with the highest quality in the industry: by strengthening brand resources and improving tenant sourcing capability, our occupancy rate increased by 2.6 percentage points YoY to 96.9% with over 18,500 cooperative shops, over 5,400 cooperative brands, over 100 cooperative international luxury brands, more than 400 cooperative international shops, enabling us to maintain the top position in the industry.

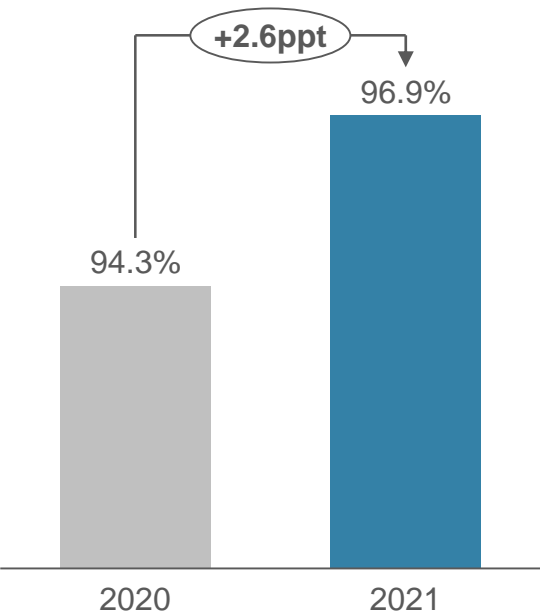
18,500+
Cooperative shops

400+
Cooperative international luxury
brand shops

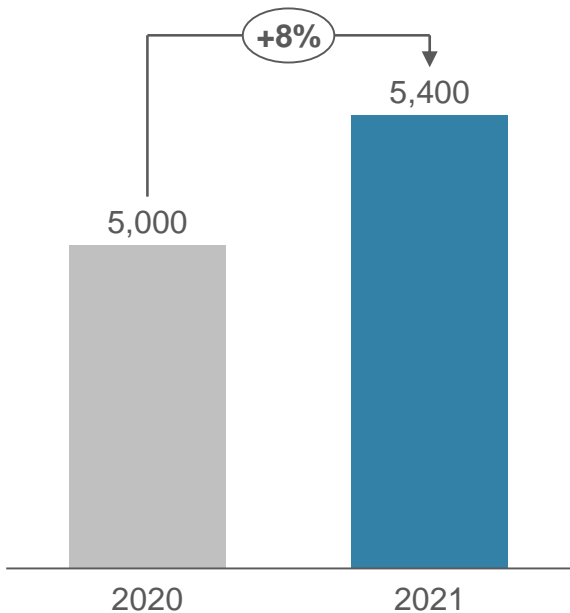
5,400+
Cooperative brands

100+
Cooperative international luxury brand

Occupancy rate



Number of cooperative brands



Commercial property management business – shopping malls

New projects delivered promising performance by gaining profit for the first year of operation: during the year, there were 13 new projects with average occupancy rate of 98%, the ratio of the number of newly stationed brands reached 26%, and the average EBITDA Margin for the first year upon opening was 31%.

Maintaining market leading position in commercial innovation area: in view of the ever-changing demands of consumers for new generation products, our pioneering new projects has received high recognition from the government, industry peers and customers.

12+1

Number of newly opened + newly opened second phase projects

98%

Average opening rate

26%

Average ratio of the number of newly stationed brands

31%

Average operating profit margin for the first year upon opening

Continuously launching of innovative products

MIXC Qianhai: life aesthetics



Beijing THE NEW: urban renewal model



Renewal model of Beijing Commission of Housing and Urban-rural Development



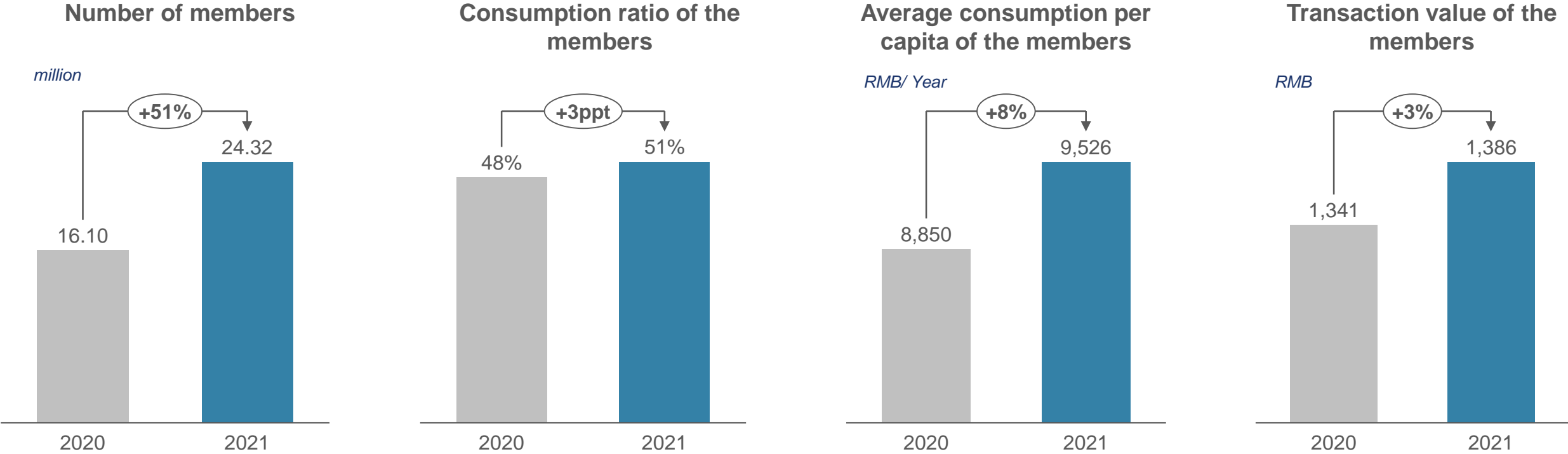
2021 China Cultural Enterprise Forum “Landmark for Contribution to Urban Culture of China”



2021 Beijing International Design Week “C20 China City Renewal Design Awards”, “Beijing 100 New Consumption Landmark”

Commercial property management business – shopping malls

Being a pioneer in membership with improving membership system and precise exploration of membership value: the number of members was more than 24 million, consumption contribution of the members was over 50%. Average consumption per capita of the members and the transaction value of the members also experienced significant increase. Through integrated operation of online and offline members, there was over 20 million online members with monthly active users of more than 5 million.



E-MIXC: Extending services from offline to online

Number of members	Over 20 million
Monthly active members	Over 5 million

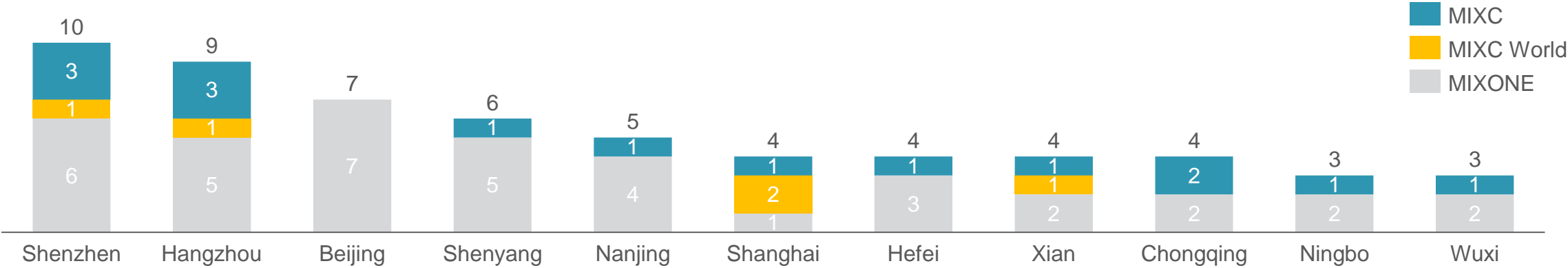
Commercial property management business – shopping malls

Successfully securing 12 quality projects during the first year of market expansion: adhering to the strategic direction and focusing on high-end, large-scale shopping malls, the average GFA reached 100,000 sq. m. and the ratio of project in the first and second-tier cities was 75%. Through persistent development of key cities, 11 cities had realized the concept of “one city one mall” and “several cities several malls”.

Newly signed third-party projects with high quality

Number of projects	12
Aggregate GFA (ten thousand sq. m.)	124
Average GFA per project (ten thousand sq. m.)	10.3
Ratio of projects in the first and second-tier cities	75%

Realized the concept of “multi MIXC, multi MIXONE”, and “one MIXC, multi MIXONE” through further penetration in key cities



Commercial property management business – Office

Excellent operational and service capability helped increase in occupancy rate amid difficult condition: as of the end of 2021, we had 115 projects under management and provided operational services to 25 projects. Customer satisfaction for the year improved to 99.3%. We had attracted 20 tenants which were 500 Top and unicorn enterprises amid difficult condition, boosting occupancy rate to increase to 82.7%.

Industry-leading office building operation capability

100%

Projects in the first and second tier cities

4

Number of cities with the highest rental

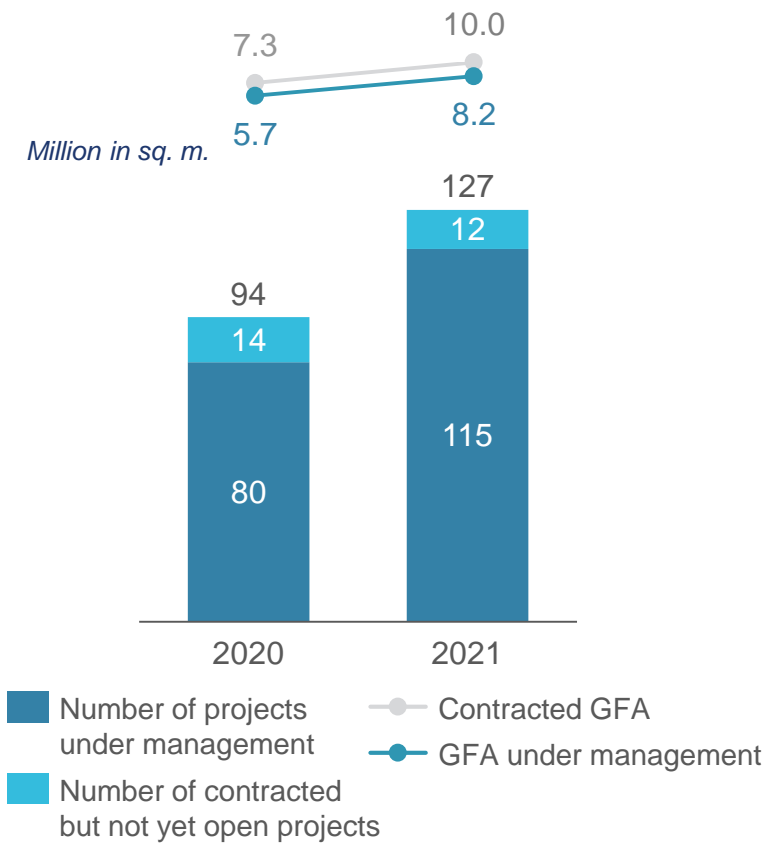
1200+

Number of enterprises to which our services are provided

110+

Number of 500 top enterprises to which our services are provided

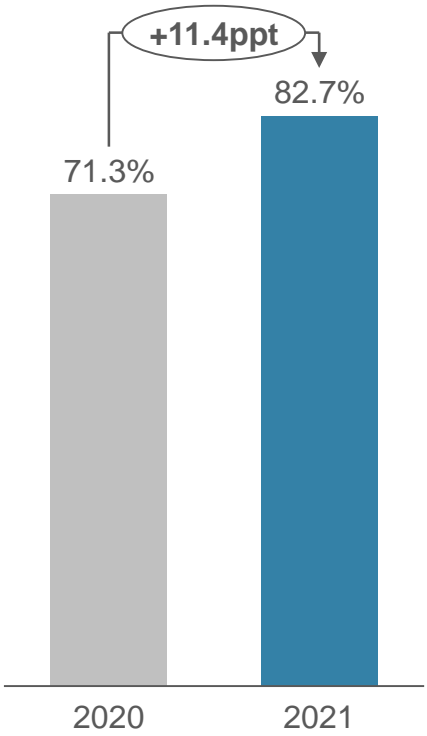
Office commercial property operation and property management business numbers of projects under management and contracted projects and GFA



Customer satisfaction



Occupancy rate



Launch of new brand system to achieve “Extraordinary MIXC” with high quality



Adhere to our concept of “becoming the customers’ most trusted and favorite quality city live service provider” , we uphold to our brand principle of “Extraordinary MIXC” to deliver elegant elements to our city live through extraordinary culture, technologies, space and ecology.

Standing firmly at our value of “delivering quality city live and improving space asset value through intelligent services” , we strives to achieve “Extraordinary MIXC” by providing heart-warming, intelligent and high quality services, enabling the cities where we are living in to become an excellent city with quality live.

Brand
concept

Extraordinary MIXC

QUALITY ACHIEVES EXTRAORDINARY LIFE

Extraordinary
Culture

People-oriented
Happiness
up lifting

Extraordinary
Space

Co-Response
Scenario
Seamless
experience

Extraordinary
Technologies

Technology
enabling
Joyful live

Extraordinary
ecology

Resources
integration
Win-win situation



Brand
Slogan

Quality enables Extraordinary MIXC

QUALITY ACHIEVES EXTRAORDINARY LIFE

Launch of new brand system to achieve “Extraordinary MIXC” with high quality



By launch new “MIXC services” and upholding to our principle of “people-oriented, technology-driven, green sustainable growth, integration and cooperation” , we target to enhance urban management through integrated urban ecosystem operation and services so as to deliver extraordinary live experience to people and strive to become the most influential urban space operational service provider.

By refreshing the image of our core brands, “MIXC” , “MIXONE” and “MIXC World” , we continue to develop as “China’ s top brand in commercial operational management” and help boost the prosperous business growth of China.

China’ s most influential urban space operational service provider



Three main spaces; twelve core scenarios

- Community living space
Future community, traditional community
- Office space
Offices, industrial parks, government offices, sharing offices, auxiliary working facilities
- Urban public space
Municipal roads, transportation hubs, cultural and sports stadium, scenic spots, public water and green space

Landmark projects of urban space operation



Chengdu Yimahe Park

Shenzhen Houhai Area

Hangzhou future community

China’ s top brand in commercial operational management



Positioning
Becoming high quality and trendy landmark

Located at prime or potential area of the first and second tier cities to satisfy the demands of consumers pursuing style and fashion

Positioning
Becoming an energetic and lovely center

Located at the regional center of first and second tier cities or prime areas of the third tier cities

Positioning
Becoming an trend origin of urban spirit and culture integration

Located at prime areas of high energy city with larger outdoor space, enabling closer integration with local culture and spirit

Market-driven incentive mechanism, strategic organizational reform, professional and efficient operation team

Led by the culture of “facing the market, achieving win-win situation, enhancing professionalism, striving for new venture”, we continues to improve market-driven incentive mechanism , building delayed organization specially for light asset management company and performance-based structure, so as to form the most influential talent pool, training capability and retention capability.

Market-driven incentive mechanism

I Changing the traditional way of motivation used by state-owned enterprises to implement the first-ever employee share option scheme;



247 mid to senior level and skilled employees



three years locking period

II Market-based remuneration to encourage the reaching of performance targets;



Performance-based



Motivating value increase



Paying equal attention to motivation and control

III Motivating market expansion to help growth in business scale;

IV Motivating settlement of outstanding property fees to significantly enhance settlement rate.

Organizational structure

Simplified and delayering organization specially for light asset management company, performance-based organizational structure

I Setting up urban space service department to ensure strategic implementation;

II Confirming property projects, supporting rapid growth in management scale, continuously improving working efficiency.

Professional and high efficient operation team

Having the most influential talent pool, training capability and retention capability:

Talent training system

377人

Number of recruitments of MIXC and Wanyue trainees from colleges

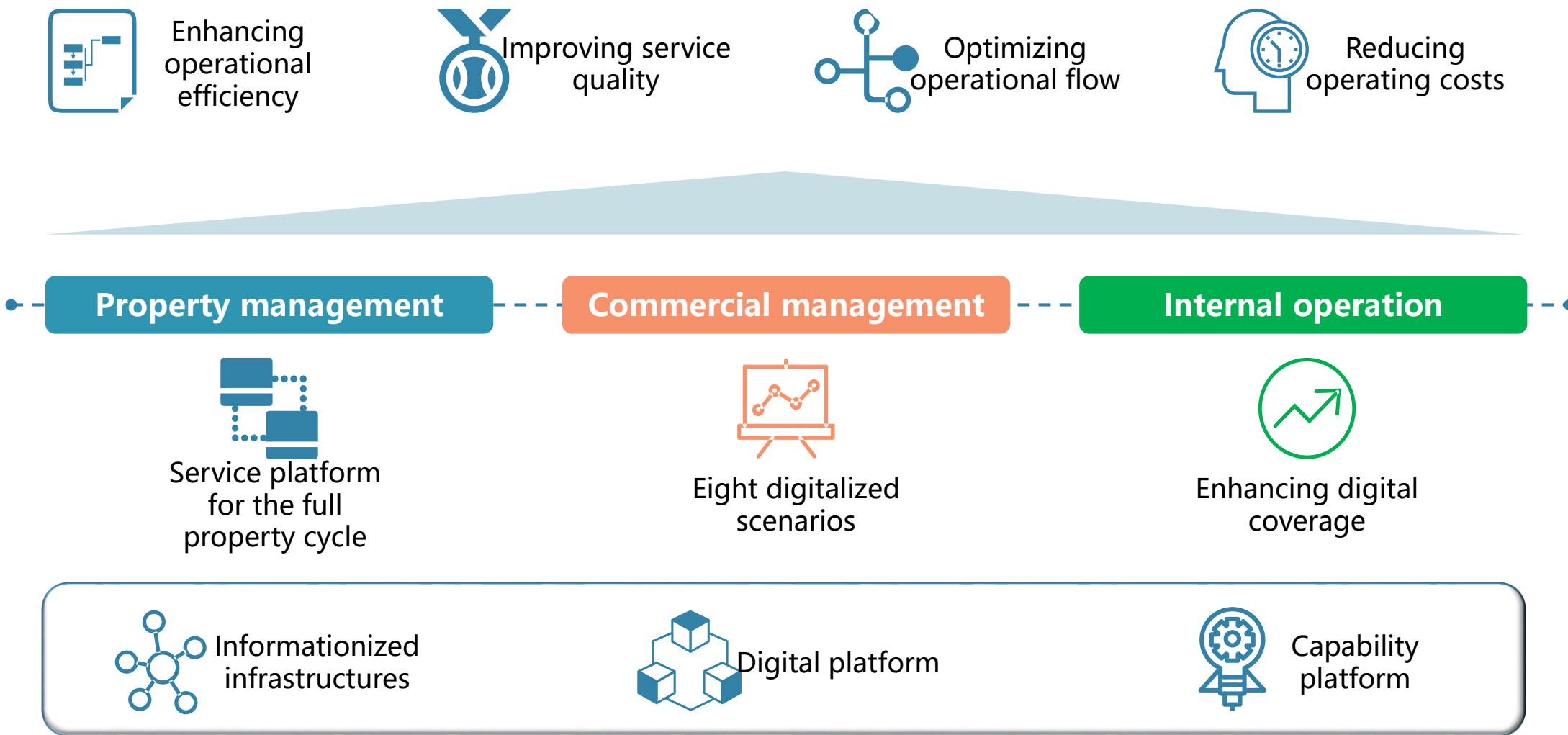
"MIXC management talent"	UP plan for city manager
"MIXC operational talent"	UP plan for project manager
"MIXC excellent talent"	CAN plan for housekeeper
"MIXC technical talent"	GET plan for new graduate

4.24%

Turnover rate of core management members after Listing

Digitalized transformation speeding up

Building digitalized operation capability covering the full cycle of property management business and eight core scenarios of commercial property management business to enhance customer experience, achieve win-win situation with partners, improve internal efficiency, laying a solid foundation for “production informatization, operation digitalization, information assetization, space intelligitization”.



04 ESG and Outlook



Environmental, social and corporate governance

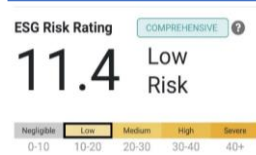
Upholding to sustainable growth, actively performing social responsibilities, achieving high level of board diversity: we continue to carry out energy saving and emission reduction. Six new green construction projects have been added during the year and the dual carbon strategy will be announced in 2022. We actively perform our social responsibilities and tried our best to ensure the success of National Games and Paralympic Games. The number of our independent non-executive directors accounts for 40% of the Board and 30% of the Board is female directors, demonstrating a high level of Board diversity. We have been recognized by professional rating institutes and have been included in MSCI index with BBB rating. Our Sustainalytics risk assessment is “low”, enabling us to be ranked one of the top enterprises in the industry.

Rating performance

- Included in MSCI index with BBB rating



- Sustainalytics risk assessment is “low”, enabling us to be ranked one of the top enterprises in the industry



Implementing “dual carbon” strategy

Decreased by 41.5%

Ten thousand yuan operating income total energy consumption (comparable amount)

Decreased by 22.8%

Ten thousand yuan added value total energy consumption (comparable amount)

6

Newly added green construction projects

0.836million sqm

Total GFA of newly added green construction projects



Performing social responsibilities

- Organizing the nation’s large projects

Forming service team to ensure success of National Games and Paralympic Games

0.21million 1000+

Number of staff providing services during the games
Number of staff ensuring success of the games

- Stimulating employment in the society

6000+

Number of position offered

- Care for vulnerable groups

900+

Number of participants



Board diversity

40%

Ratio of independent non-executive directors

30%

Ratio of female directors



2022 is a year of challenges and opportunities.

- Being a year for expansion of property scale, we will seize market opportunities to realize quality leapfrogging growth. We plan to obtain over 100 million sq. m. of third party GFA throughout the year, focus on service quality and operational efficiency improvement and exert full effort to promote “MIXC services” brand. We will continue to carry out transformation to become a “urban space operational service provider”.
- Our commercial management business will focus on our three main product lines, “MIXC”, “MIXC World” and “MIXONE”, and strives to improve quality, increase value and enlarge scale. We plan to expand 10 third-party shopping malls and open 18 new shopping malls so that the performance growth of our shopping mall will surpass the industry.
- We plan to set up a MIXC-featured mega membership system covering the whole upstream and downstream industrial chain. Our mega membership brand will be announced soon, under which an operational platform will be set up to strengthen technology enabling capability and facilitate considerable business growth. In terms of operational management, numerous technology products will be launched, and regarding customers, MIXC and Joylife products will be upgraded.

Persistently pursuing long-term goals, we will realize high quality development in order to deliver long-term, sustainable return to shareholders.



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