



STRENGTH · EXCELLENCE



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1.

RESULT HIGHLIGHTS



Result Highlights



Stable growth in operating results

- A revenue of RMB 3,596 million was recorded, and the net profit was RMB 542 million, with the net profit attributable to the shareholders amounting to RMB 502 million.

Operation optimization for efficiency enhancement

- Net profit margin was 15.1%, representing an increase of 1.2 percentage points as compared with that of 2019, and the cash flow from operation activities was RMB 826 million, representing an increase of 51.6% as compared with that of 2019.

Industry leader in terms of business size

- The Total Contracted GFA⁽¹⁾ amounted to 563 million sq.m., with 2,841 communities under our services, maintaining the leading position in the industry.

Quality improvement and services upgrade

- While committed to improve service quality to build benchmark projects, the Group also organised over 8,000 community activities during the year, improving the community harmony.

Optimized organization for efficiency enhancement

- By streamlining organizational structure and optimizing management system, the Group formulated and launched a set of differentiated work and management standards targeted for different business models.

Implementation of innovative businesses

- The Group launched the Intelligent Community Pandemic Control Platform and unmanned vehicle services during the pandemic, and joined hands with JD.com to tap into the smart parcel locker business.

Outstanding achievements in the fight against pandemic

- The Group was recognized by various parties and granted a number of awards for its outstanding performance in the fight against the pandemic, which highlighted Colour Life's advantages in organization and management, swift response and technology application.

(1) Defined as the aggregate amount of the Managed GFA which is managed by the Group and the Consultancy GFA for which the Group provided consultancy services





2.

RESULT REVIEW

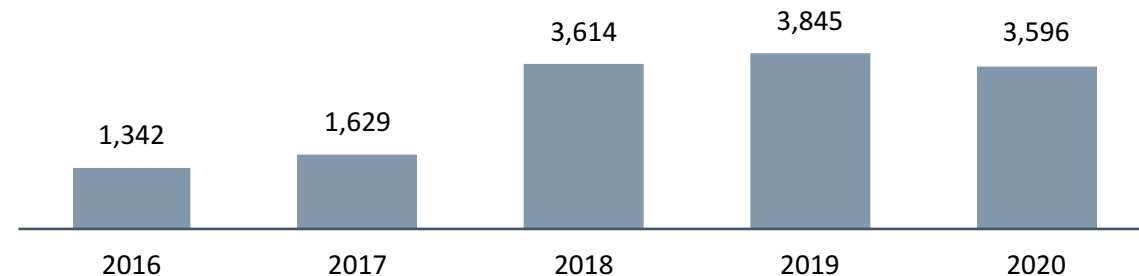


Profit steady growth



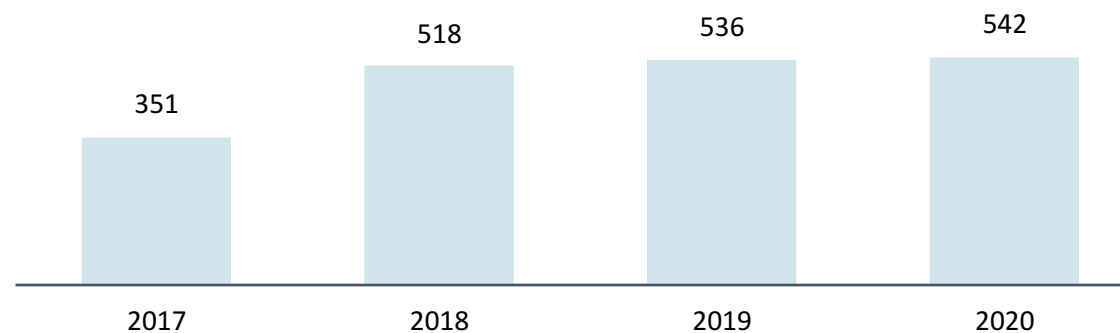
Revenue

(RMB million)



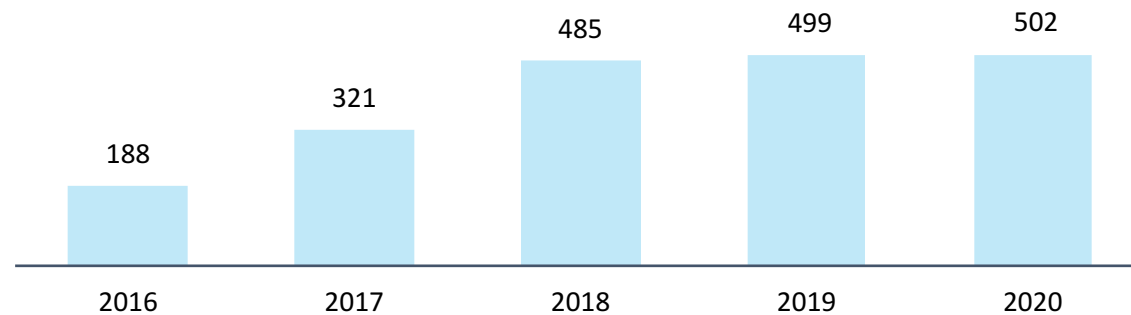
Net profit

(RMB million)

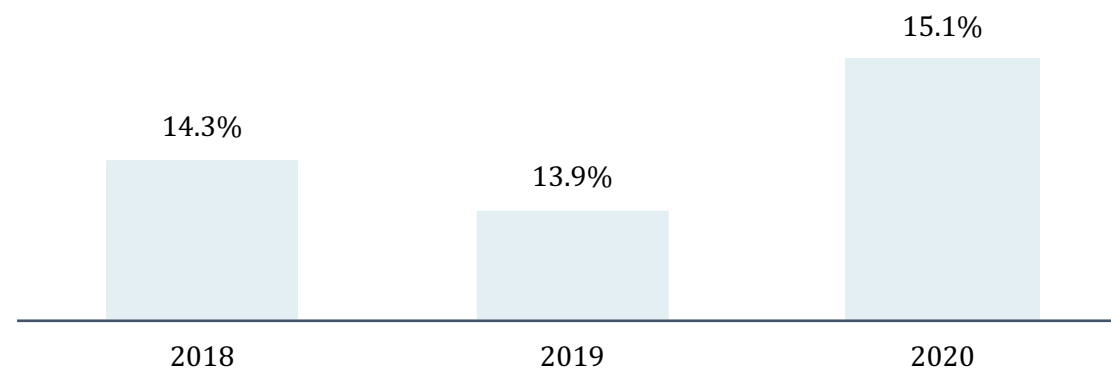


Net profit attributable to shareholders

(RMB million)



Net profit margin

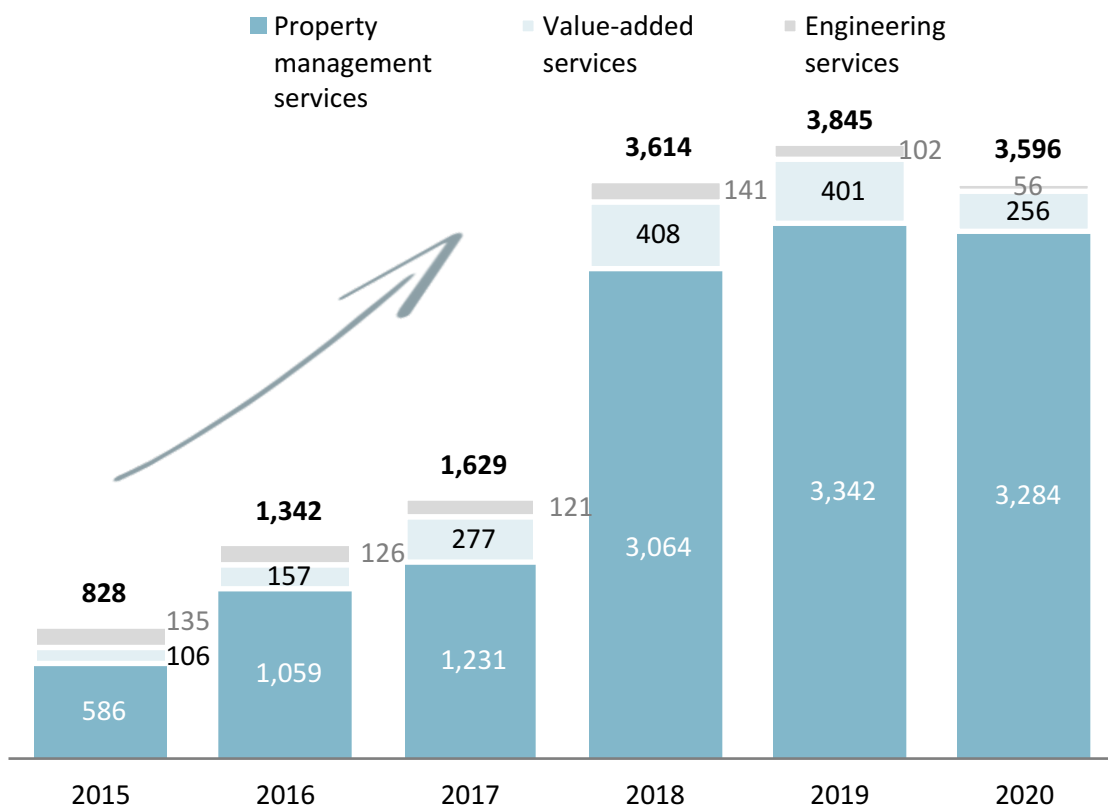


Balanced Development of All Three Main Business Sectors

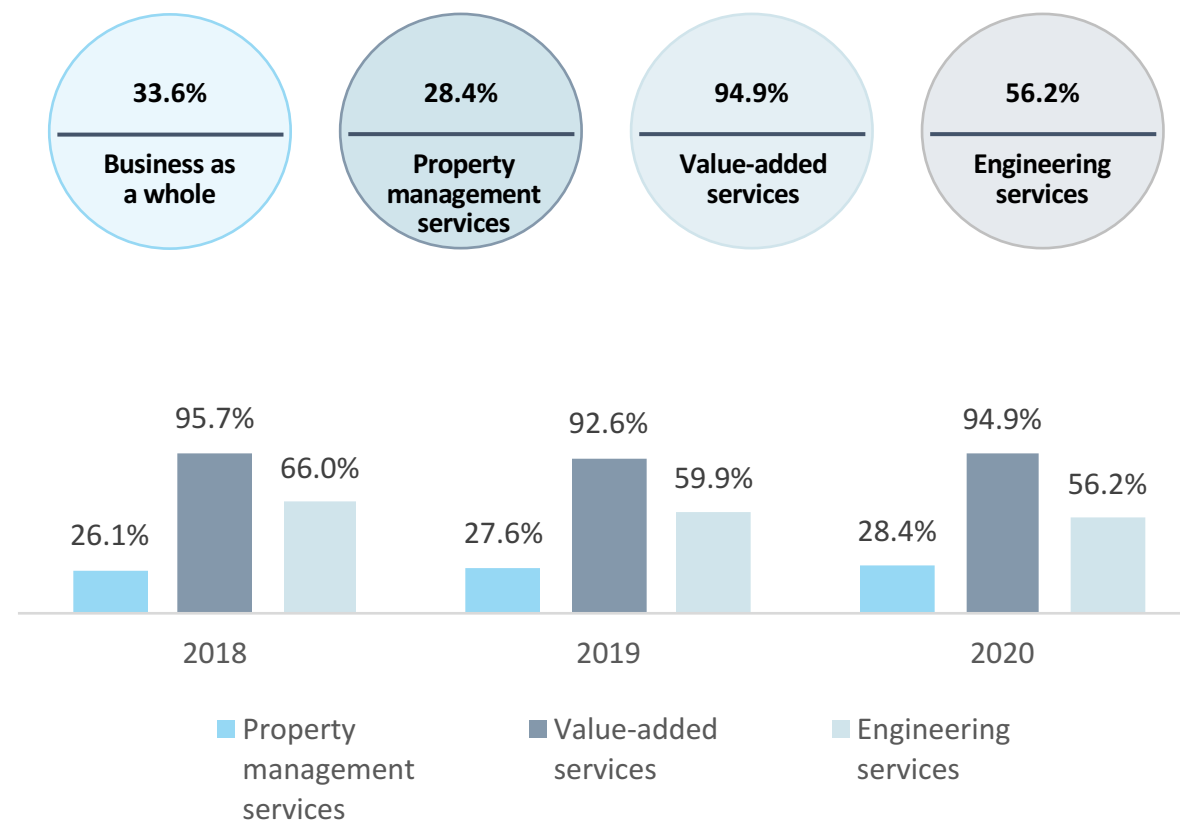


Revenue breakdown by business sector

(RMB million)



Gross profit margin of each business sector

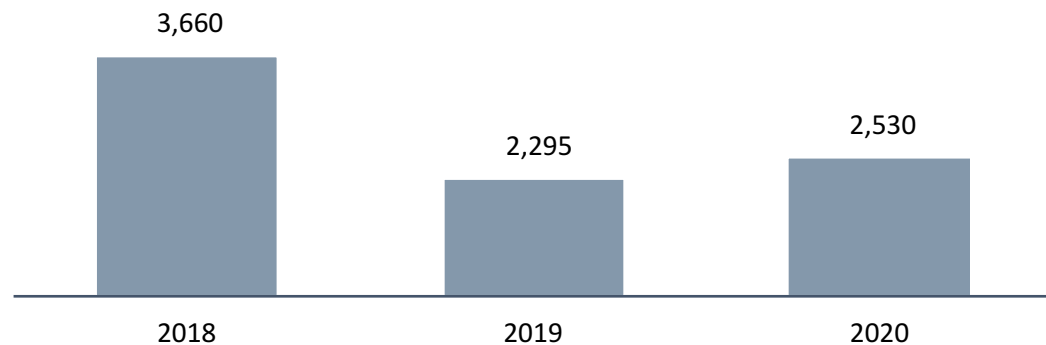


Optimized Financial and Capital Status



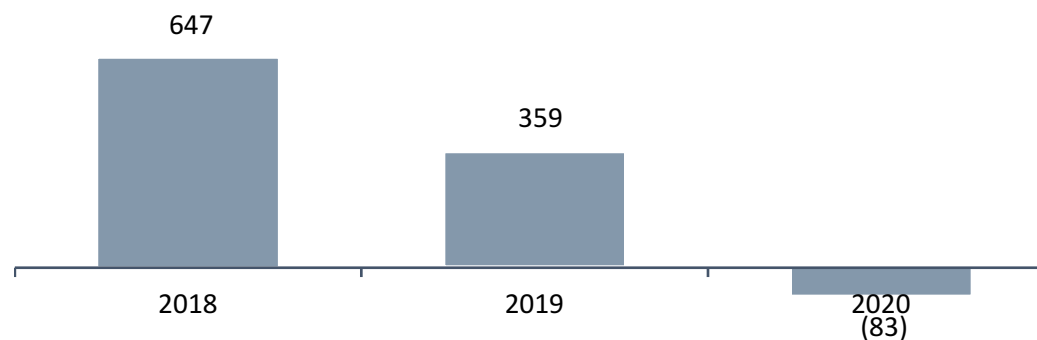
Total debt remained stable

(RMB million)



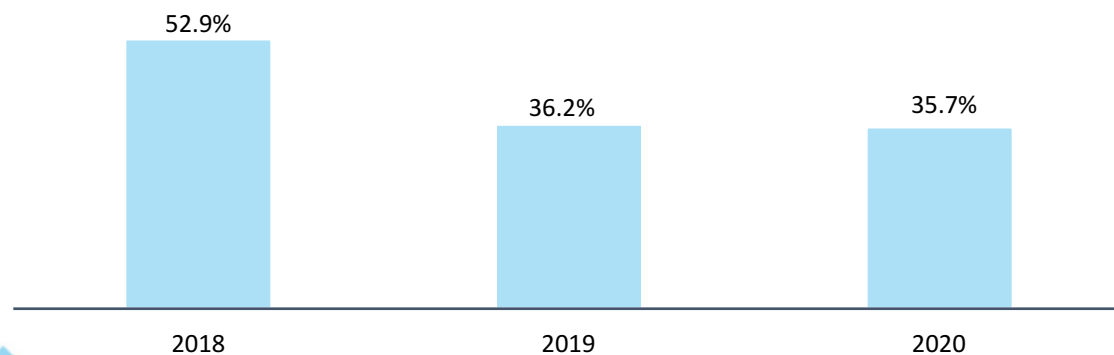
Net debt ⁽¹⁾ continued to drop

(RMB million)



Debt to Capital ratio decrease gradually

■ Total Debt/Capital

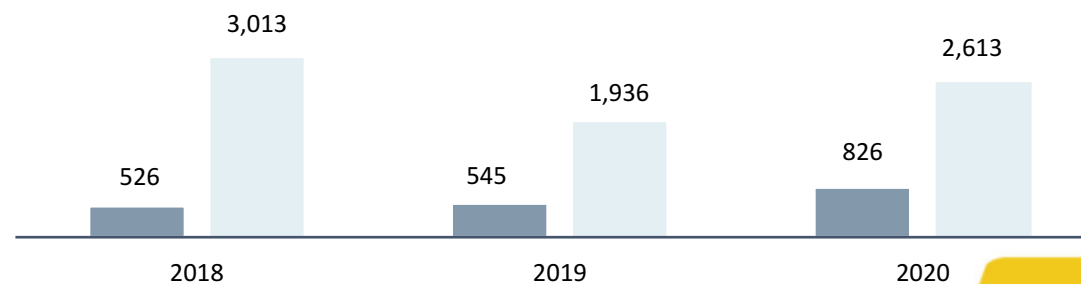


CFO increase remarkably

(RMB million)

■ 经营现金流净额 (CFO)

■ Cash and cash equivalent



(1) Equals total debt deducts the cash and cash equivalent of the group



Extensive Management Areas and Vast Scope of Services



Colour Life has been leading the development trend of the property management industry. With its outstanding third-party expansion capability and through merger and acquisition activities, Colour Life achieved rapid expansion and has become one of the largest community service operators in the country in terms of business size

563 million sq.m.

As of 31 December 2020, the Total Contracted GFA reached 563 million sq.m.

2,841 projects

2,841 projects across the country



279 cities

The projects cover 279 cities across the country

10+ million property owners

Colour Life provides more than 10 million property owners with living experience of smart community, with an aim to build a caring and comfortable home for them





3.

STRENGTH: BUSINESS DEVELOPMENT



New Start-up through Transformation and Resource Consolidation



- | Structure streamlining | Workforce Optimization | Basic management businesses | Value-added businesses | Capital reclaim | Debt optimization |
|--|---|---|---|---|--|
| <ul style="list-style-type: none"> ■ Headquarters streamlining ■ Organisational structure optimisation ■ Strategic regional segment consolidation | <ul style="list-style-type: none"> ■ Management system reshaping ■ Clear accountability ■ Efficiency enhancement | <ul style="list-style-type: none"> ■ Consolidation of basic businesses ■ Satisfaction improvement ■ Establishment of benchmark projects ■ Carrying out community activities | <ul style="list-style-type: none"> ■ Exploration of community + resource ■ Cooperation with JD.com and 360.com ■ Dual development of offline and online businesses | <ul style="list-style-type: none"> ■ Review of assets ■ Handling of major projects ■ Enhancement of capital efficiency | <ul style="list-style-type: none"> ■ Optimization of debt ■ Debt replacement ■ Interest reduction |



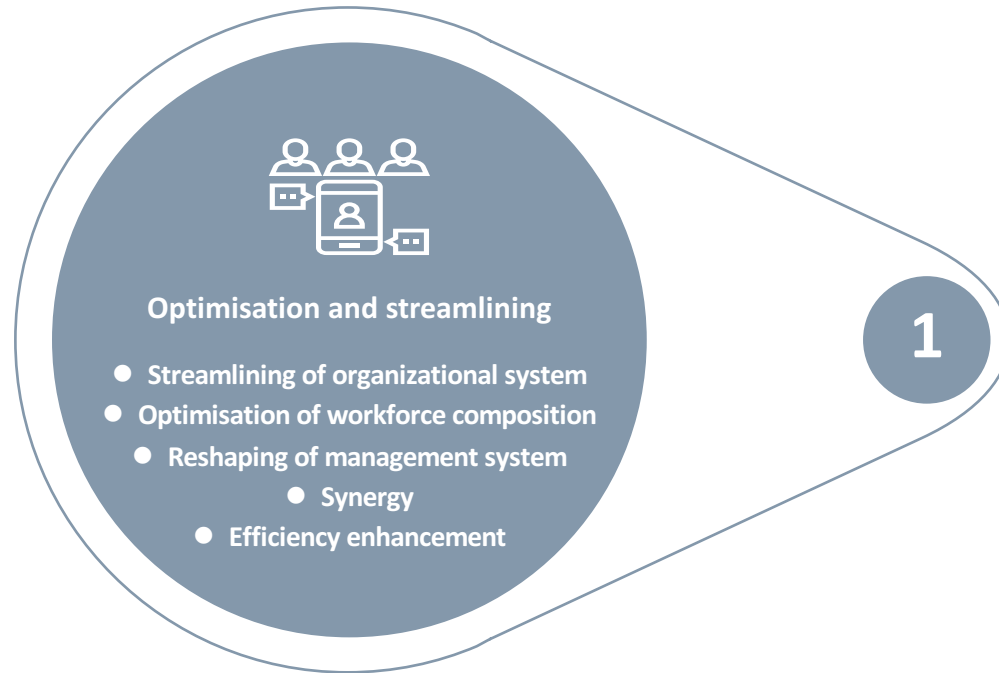


1

Efficient Management System Empowers Each Line of Business



Organizational Optimization and Refined Standards

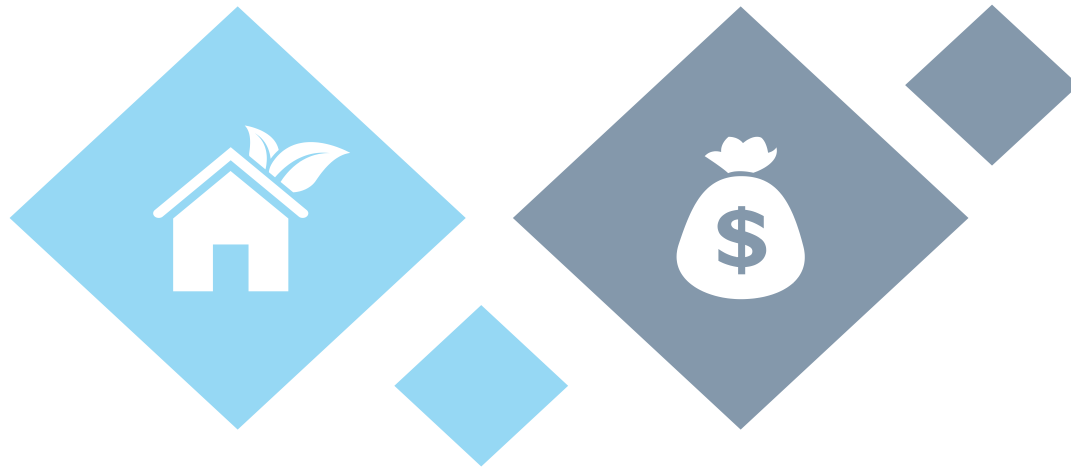


- **Merger of business units**
- **Streamlining of headquarters and adoption of a flat organisational structure**
- **Strategic regional segment consolidation for reorganisation**
- **Business groups consolidation to build up mid-level backbone workforce**

- **Implementation of differentiated management service standards**
- **Refining of cost and fee standards**
- **Formulation of a multi-brand strategy according to those standards**



Incentive Mechanism and System Empowerment



Remuneration reform

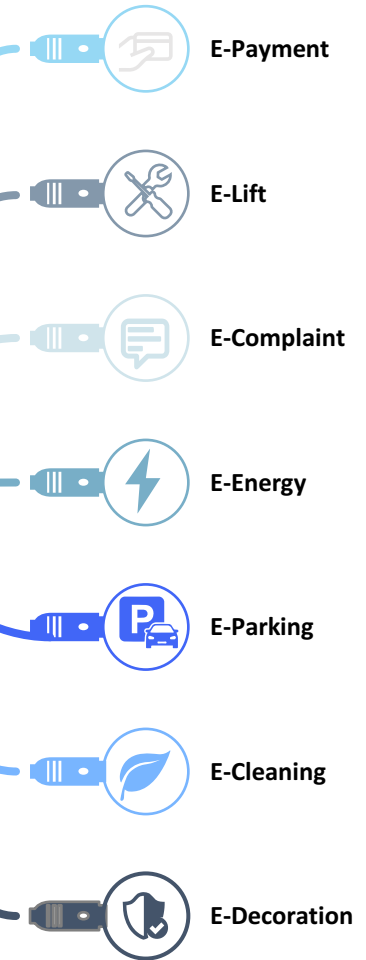
- Headquarters streamlining
- Organisational structure optimisation
- Strategic regional segment consolidation

Motivated mechanism

- Optimization of the fixed and variable proportions of remuneration
- Variable remuneration to motivate employees to exceed their performance targets
- Encouragement to expand markets
- Full collection of market resources



Re-development of systems
Empowerment to all business lines
Optimisation of the "Big Dipper"





2

Service Quality Improvement to Build Benchmark Projects



Quality Operation and Scientific Management



Standard improvements

- Establish service standards: formulation of standardised documents according to business models and pricing
- Quota determination standards for cost: formulation of an operational quota framework, including profit quota and cost quota based on projects of different business models
- Certifications: review of three major international certifications; 3A CSR Certification

System perfection

- 13 items of the management system was added and optimised
- Regulation on quality of contractors
- Management of major events
- Management of special funds of repair and maintenance
- Energy management
- Fire safety management
- Parking lot management

Focus on process

- Periodic convention of operation report meeting at levels of strategic regional and major regional segments
- Report on issues identified for improvement and correction
- Regular special communications covering aspects such as emergency management, garbage collection, quality control and customer complaints, etc.

Emphasis on data

- Three data
- Two traffic flows
- Re-development of systems
- Optimisation and perfection of the ERP system
- Embedding of latest standards into the ERP system

Upgrade and maintenance of equipment

- Projects were renovated and upgraded in terms of fire safety, energy and parking lot
- Renovation of access control and gateway and timely repair of smart facilities and equipment
- Optimisation of online incident reporting and repair request

Relationship with owners

- Effective communication with clients and treatment of complaints
- Reception of visits and follow-up of maintenance services
- Standardisation of archive management / quality supervision and appraisal
- Carrying out community cultural activities to enrich cultural life
- Personalised services to provide customers with best experiences

Colourful Events to Improve Community Harmony



Spring Festival event under the theme of "Happy and Prosperous Year of the Rat"

January
February



March and April

Women's Day
Backbone Force in Fighting Epidemic



May and June

Dragon Boat Festival-Zongzi Contest
Traditional celebration activity



Care for Children
Happy Children's Day



"Pursue Your Dream"
support for university
entrance examination



Offline participants of 550,000
Online participants of 2 million

A total of over 8,000 activities during the year
Comprehensive coverage rate of 79%

Summer Scout Camp
Chinese Valentine's Day
under the theme of
"Encounter with Ancient Music"

July and August



September
October

Mid-autumn and National Day
Under the theme of
"Nostalgia"



November
December

Winter event under the theme
Of "Warm Winter"



Recognition from Industry and Society by Improved Service Quality



By upholding its distinctive service concept, Colour Life has built a strong brand reputation, laying a solid foundation for the Group to procure new engagements through reputation and branding.



China Property Management Research Institution
“2020 Platform Excellent Brand of China Property Service Companies”



Guandian Index Academy
Ranking 2nd in the “2020 Top 20 Property Management Companies of Outstanding Operation Performance in China”



Guandian Index Academy
Ranking 3rd in the “2020 TOP 30 Influential Property Management Companies in China”



China Index Academy
2020 Top 100 Property Management Companies in China”



China Index Academy
“2020 China Leading Property Management Companies in terms of Technology Application”



China Index Academy
“2020 China Leading Property Management Companies in terms of Characteristic Services”



China Index Academy
“2020 China TOP 10 Listed Property Management Companies in terms of Comprehensive Strength”



China Index Academy
“2020 China Top 10 Property Management Companies in terms of Service Scale”



China Index Academy
“2020 China Excellent Listed Property Management Companies by Investment Value”





3

Collaborating with Technology Titans to Explore Value-added Services



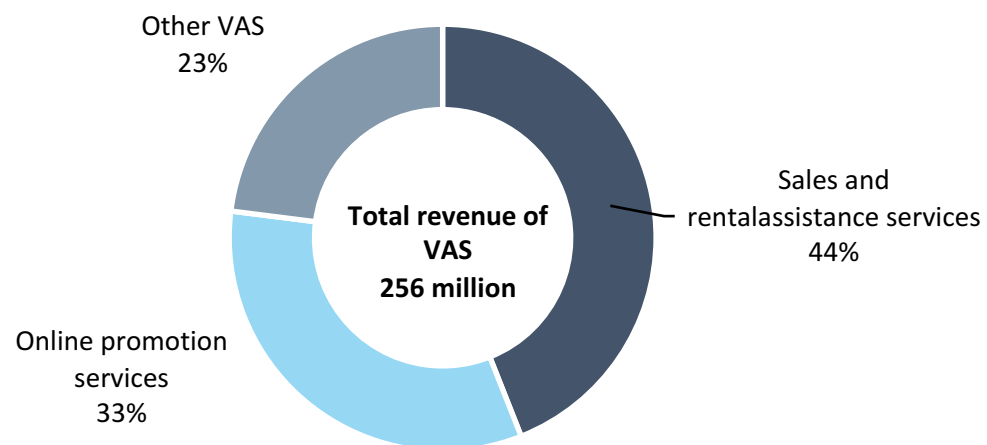
Steady Growth of Value-added Services (VAS)



Overview of VAS in 2020

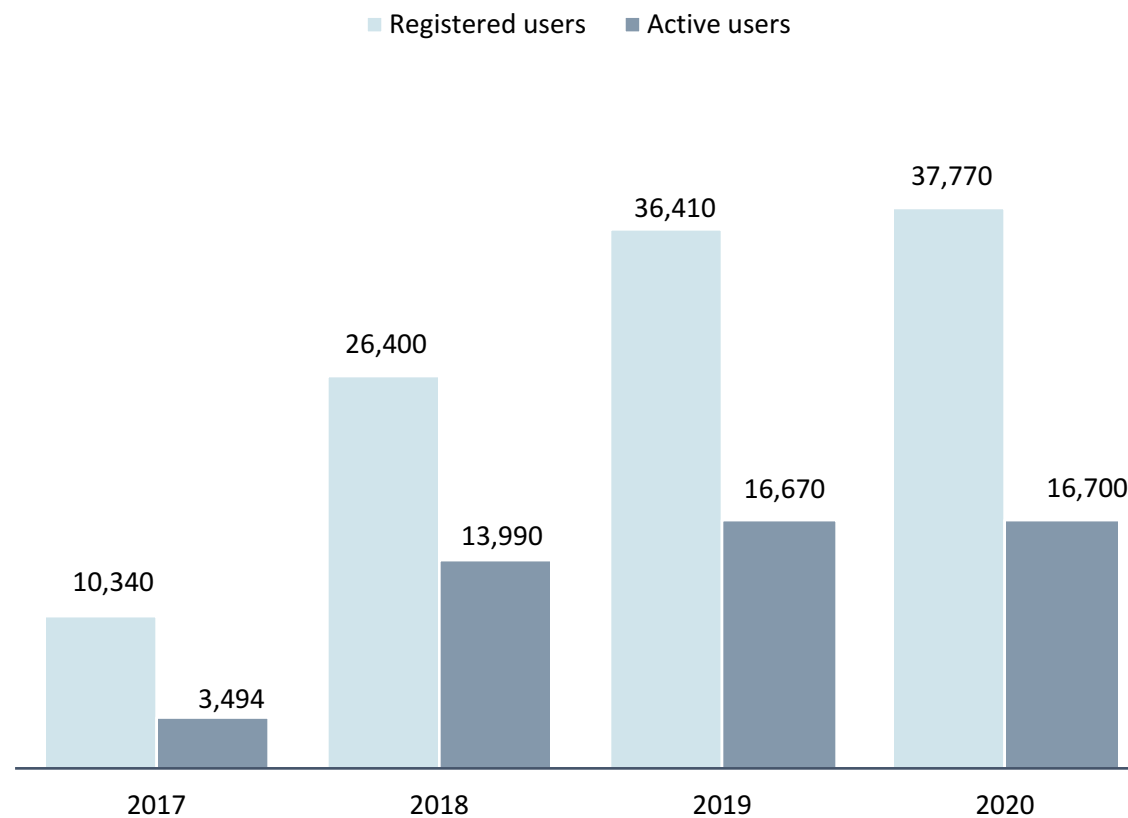
- As of 31 December 2020, registered users⁽¹⁾ of Colour Life's ecosystem accumulated to **37.8 million**, of which **16.7 million** were ecosystem active users⁽²⁾, representing an active ratio of **44.3%**

Revenue breakdown of VAS for the 2020



Number of registered users⁽¹⁾ and active users⁽²⁾

('000 users)



(1) Registered user of the ecosystem is defined as registered users who started to use our service (including Caizhiyun at both the APP end and Wechat mini program end) since the end of 2018, and registered users of all ecosystem product companies

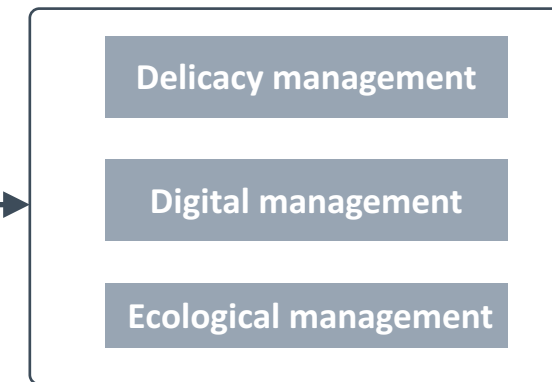
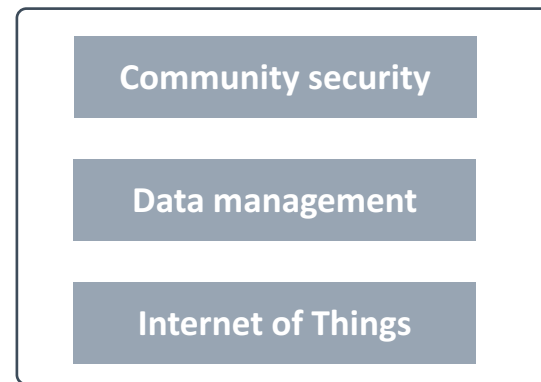
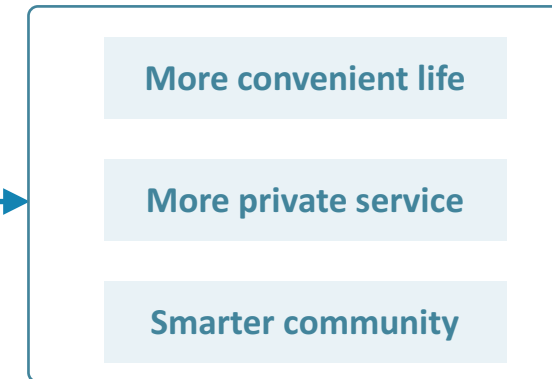
(2) Active user of the ecosystem is defined as registered users of the ecosystem who started to use our service since the end of 2018 and complete the closed-loop operation at least once every month



Cooperation with Strong Partners to Make Real Change



Trustworthy Exclusive Community Steward



Smart Parcel Locker Business to Explore the “Community + Logistics”



In June 2020, Colour Life joined hands with JD.com to tap into the smart parcel locker business to co-explore the “Community + Logistics” scenario

Business model

- ✓ **Combined advantages**
Suitable venues within communities will be provided by Colour Life, where JD.com is in charge of the setting-up and commissioning of the software and hardware of the
- ✓ **Revenue sharing**
Revenue from parcel delivery and collection services of the smart parcel locker business shall be shared by the two parties
- ✓ **Data-oriented operation**
Enforce real-time monitoring on revenue dynamics of the lockers for timely optimisation of the number of lockers through systematic data-oriented operation

- Under the new mode, the revenue **may exceed the fixed income** should the loading rate reached **60%**. Currently, the loading rate of the lockers in Shenzhen reached up to **120%**.

(1) Represents the average percentage of orders one locker machine takes in one day to the total number of cabinets of the locker machine

Complementary advantages

- ✓ **For JD.com**
 - ◆ Leverage on its advantage in e-commerce business to attract community users
 - ◆ Dilute logistics costs, enhance delivery efficiency and expand service coverage of each courier
- ✓ **For Colour Life**
 - ◆ Make effective use of resources and transform the revenue mode from original fixed venue rentals to profit sharing, so as to create more revenue
 - ◆ Motivate project management teams to carry out routine maintenance to the lockers to improve the satisfaction of owners
 - ◆ Adopt a data-oriented operation approach to implement background monitoring on revenue data, in order to reduce man-made errors in settlement





4

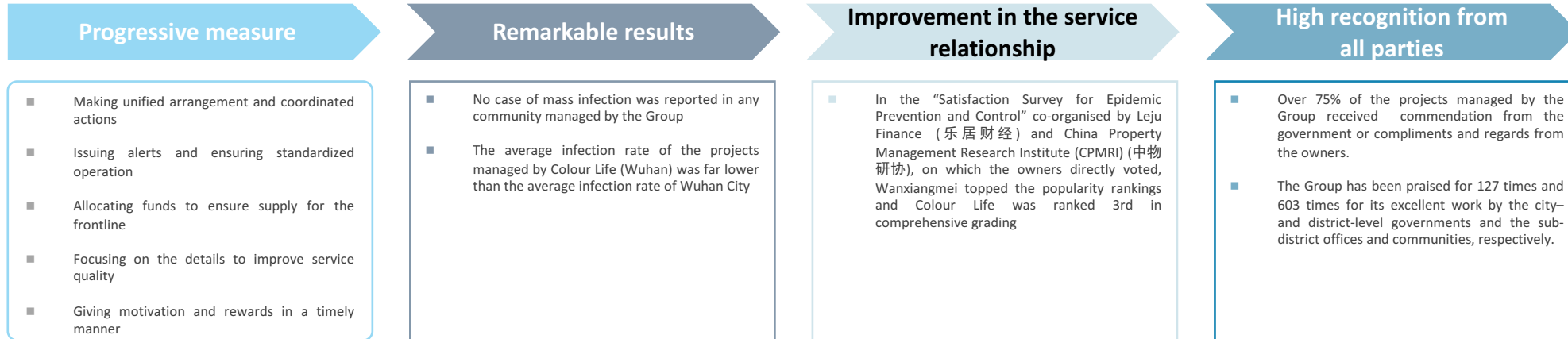
Fighting the Epidemic and Ensuring Community Safety





Fight against the Epidemic

Colour Life and Home E&E, subsidiaries of Fantasia, played an active role in the fight against the epidemic at community level. Their efforts have achieved remarkable results and won high recognition from the owners and the government, laying a solid foundation for Fantasia and Colour Life for future expansion of their community business. We would like to express our heart-felt gratitude towards the owners, our business partners and staff for their great support to our fight against the epidemic.



Staying Committed to Providing Quality Community Services



On 10 March, President Xi Jinping paid a visit to Donghu New Town community and had a cordial exchange with the community workers, base-level policemen, doctors at the health service station, cadres in grass-root units and volunteers to learn about community-based efforts in the epidemic prevention and control, community services and measures taken to ensure the supply of daily essentials.

Donghu New Town community is one of the 56 communities managed by Fantasia Colour Life in Wuhan with nearly 13,000 residents. No confirmed cases were reported continuously after the intensive inspection carried out. Donghu New Town community was awarded the certificate of “Epidemic-free Community” on 8 March.

Besides Donghu New Town community, Colour Life has also done a remarkable job in the fight against the epidemic at the communities under its management in Hubei Province. The infection rate of the property owners of the communities under the Group’s management was far below the country’s average infection rate.

President Xi Jinping stated that as the front line of prevention and control of epidemic spared, the community shoulders heavy tasks. The comrades involved in this job work so hard and have made important contributions to curbing the spread of the epidemic and ensuring the lives safety of the people.

We will keep in mind the words of President Xi, take root in the community with passion and affection, promote the continuous combat style, pay close attention to the epidemic prevention and control work, improve the front line work of defense in epidemic prevention, serve the people, and completely win the fight in epidemic prevention and control.



Empower Our Fight against the Epidemic with Technology for Better Results – Introduction of JD.com Unmanned Vehicle



Introduce unmanned vehicles developed by JD.com into communities served by Colour Life

Meet residents' need for contactless shopping



Reduce the workload of property management staff of the community

Save time for property management staff and relieve the work stress



Drive to the designated destinations according to pre-determined routes and contact customers to pick up their goods via SMS or phone call





4.

EXCELLENCE: BUSINESS PROSPECT



Grasp Policy Support to Promote Stable Transformation



Industry regulation

The Civil Code, which has been put into effect, provides that property management service providers shall issue periodic reports on services provided, while the government shall regulate service fee standards and servicing rating

Authority and obligations of the property management industry

The Civil Code provides more detailed clarification on the authority and obligations as well as rights of ownership regarding all aspects of community property management services

Subsidies granted during the epidemic

Local governments have introduced various subsidy policies to offset the increase in expenditures incurred for epidemic prevention and control, with an aim to support the development of property management enterprises

Market-based pricing of service fee rate

Given that the upgrading of demands for quality property management services has led to rising costs for the property management enterprises, the government supports the adoption of the market-based pricing method for property management services

Relaxing property management services fee standards

The service fee standards have been relaxed, allowing the fee range to be adjusted based on market rate, and the maximum fee standards for high-rise residential properties in certain provinces have been raised to allow more room for fee rate adjustments

Promoting the development of smart services business

With the introduction of policies that provide support for enterprises to develop online and offline lifestyle services, and leveraging on smart property management service platforms, efforts have been made to develop property management, government services, public services and lifestyle services Apps

Fulfilling social responsibility

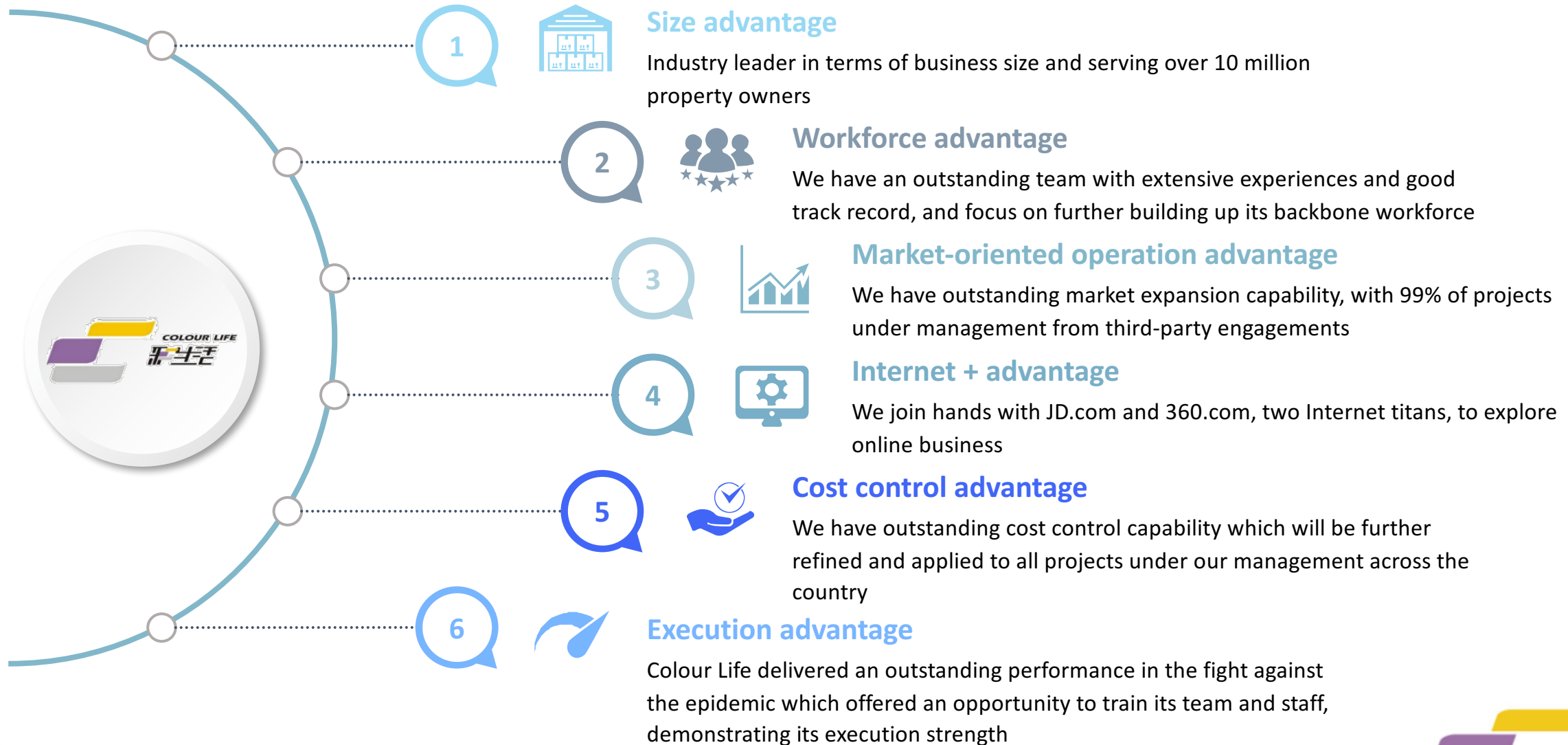
In terms of renewal of old quarters and elderly care services, the central government and local governments provide support for the property management enterprises that are committed to fulfilling their social responsibility, with an aim to promote the "property management services + elderly care services" and other business modes

Developing diverse value-added services

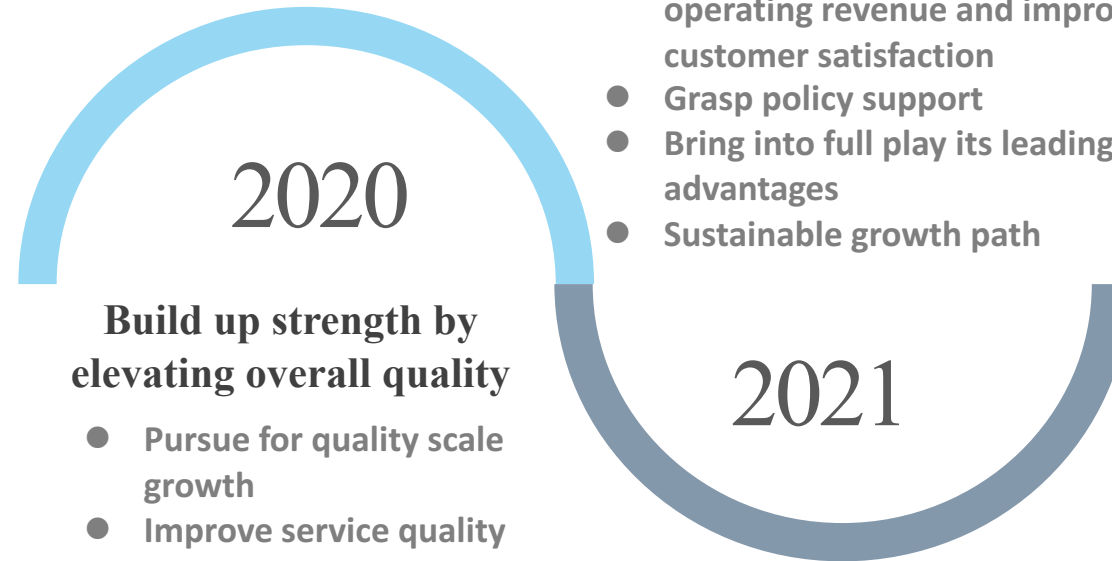
The government encourages the property management enterprises to develop diverse value-added services such as logistics, elderly care, etc.



Building up Strengths to Unleash Potential as Industry Leader



2021: Well Positioned to Promote Exponential Growth



2020

Build up strength by elevating overall quality

- Pursue for quality scale growth
- Improve service quality
- Streamline corporate structure
- Promote community harmony
- Refine service standards
- Reform remuneration and incentive mechanisms

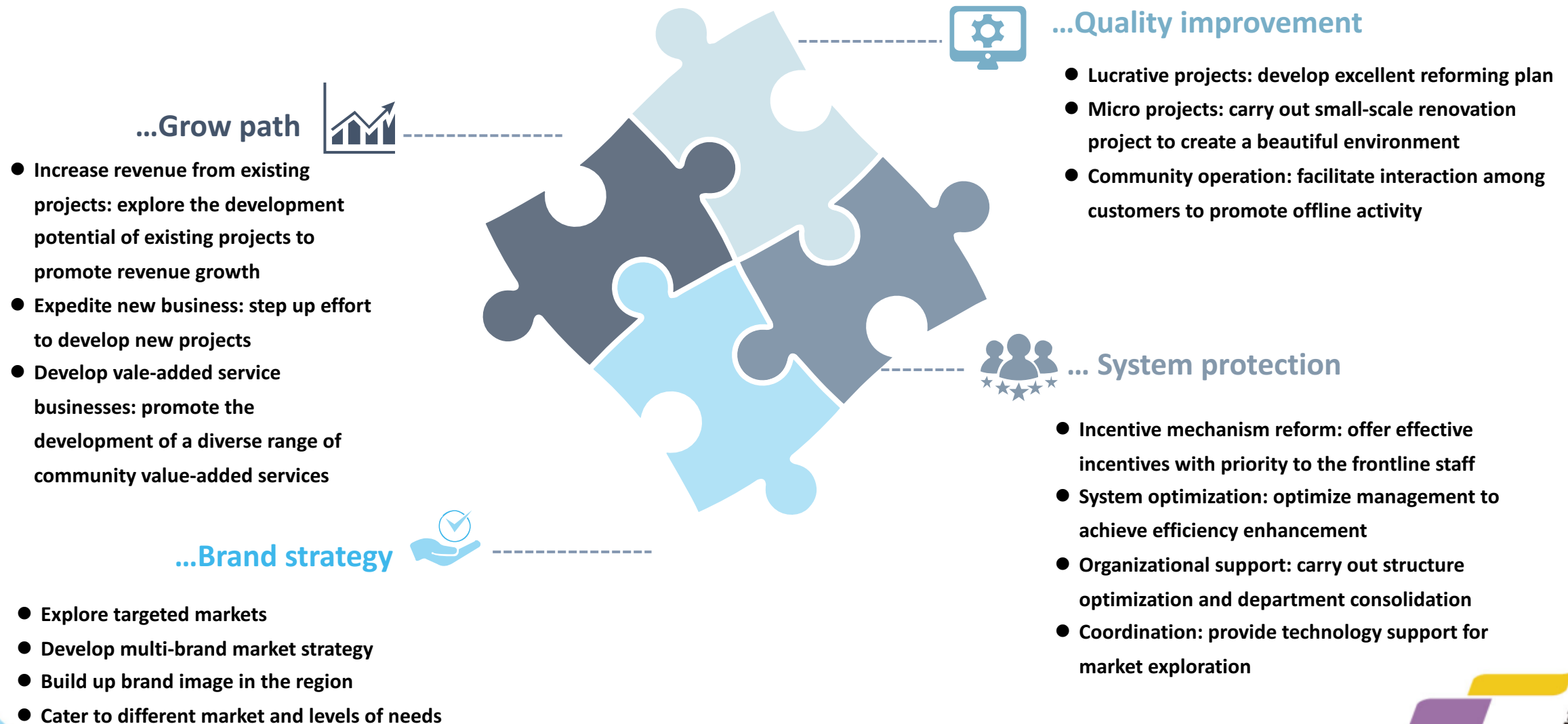
2021

Well positioned to promote exponential growth

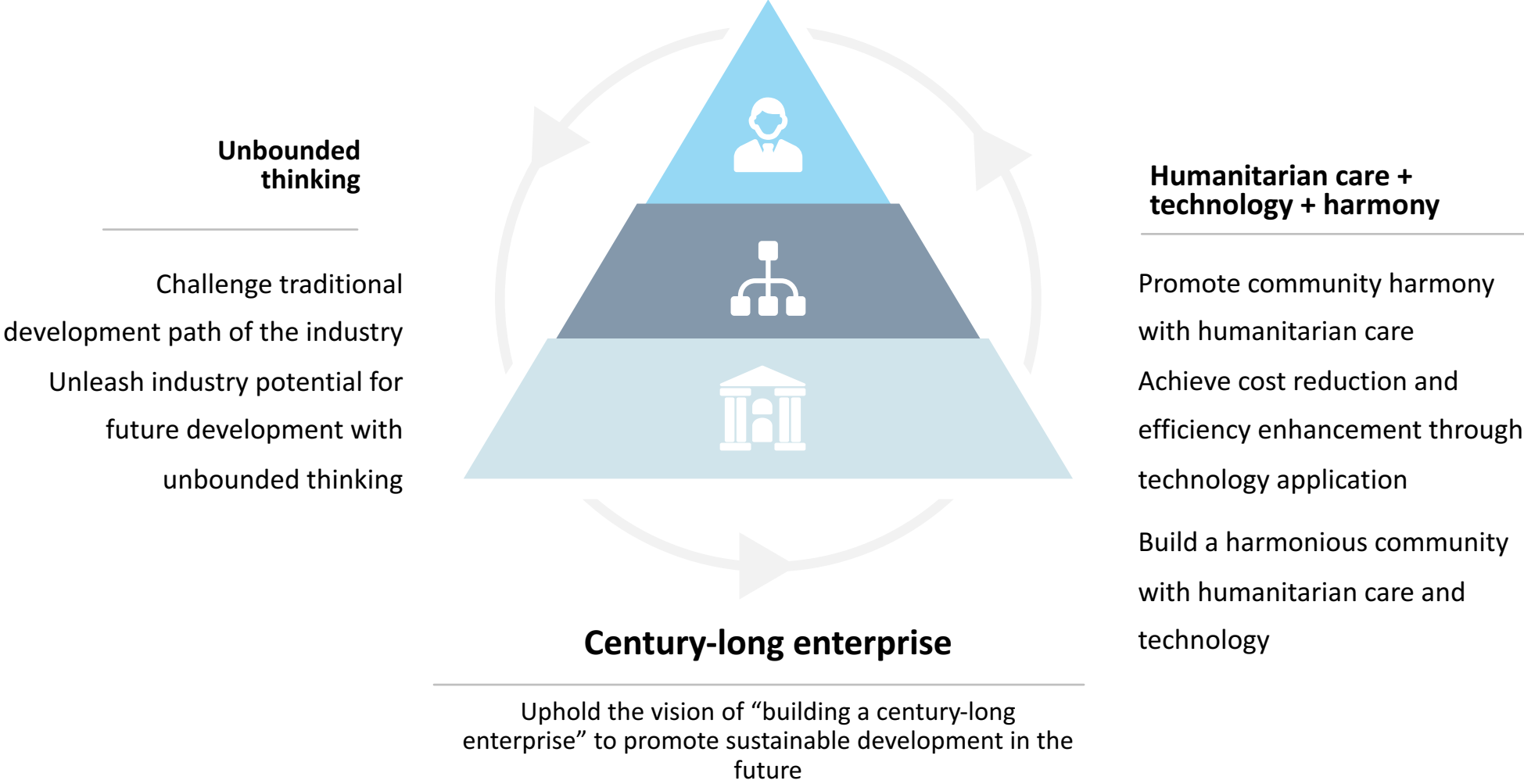
- Focus on customer satisfaction
- Scale up operation, increase operating revenue and improve customer satisfaction
- Grasp policy support
- Bring into full play its leading advantages
- Sustainable growth path



Make Breakthroughs In Multiple Aspects To Sustain Growth



Promote Sustainable Business Development with Unbounded Thinking





Colour Life Services Group Co., Limited
彩生活服务集团有限公司

Thank You!

