



2021 Interim Results

Growth · Excellence



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RESULT HIGHLIGHTS

Result Highlights



Stable growth in operating results

- A revenue of **RMB1,792 million** was recorded, and the net profit was **RMB253 million**, with the net profit attributable to the shareholders amounting to **RMB250 million**, representing a year-on-year increase of **5.8%**

Operation optimization for efficiency enhancement

- Net profit margin was **14.1%**, representing an increase of **0.3** percentage point as compared with that of the corresponding period of 2020, and the cash flow from operation activities was **RMB539 million**, representing a year-on-year increase of **141.9%**, which fully demonstrated the enhancement of operation efficiency

Optimization of financial and debt structure

- Total interest-bearing debt balance decreased by **7.6%** from the end of last year to **RMB2,337 million**; and the gearing ratio decreased by **2.0** percentage points from the end of last year to **33.7%**

Industry leader in terms of business size

- The Total Contracted GFA⁽¹⁾ amounted to **565 million sq.m.**, with **2,817 communities** under our services, maintaining the leading position in the industry.

Quality improvement and services upgrade

- The Group pushed forward the “Facility Improvement” plan and completed improvement work on **415** projects during the first half of the year. The Group also created harmonious community by organising **10** community activities, with **over 2 million** residents participating online and offline in each of the interactive community activities during the first half of the year

Recognition in anti-pandemic and disaster relief

- In the face of the pandemic and disaster situation, all employees of Colour Life dedicated themselves to protecting the safety of the community. They made great efforts to fight against the pandemic and strived to rescue the disasters, overcoming the severe challenges and receiving high recognition from the residents and the government.

(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





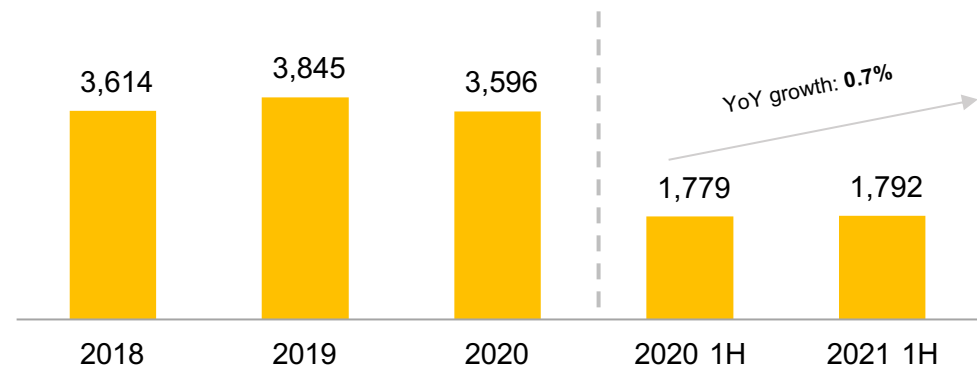
RESULT REVIEW

Steady Growth in Financial Performance



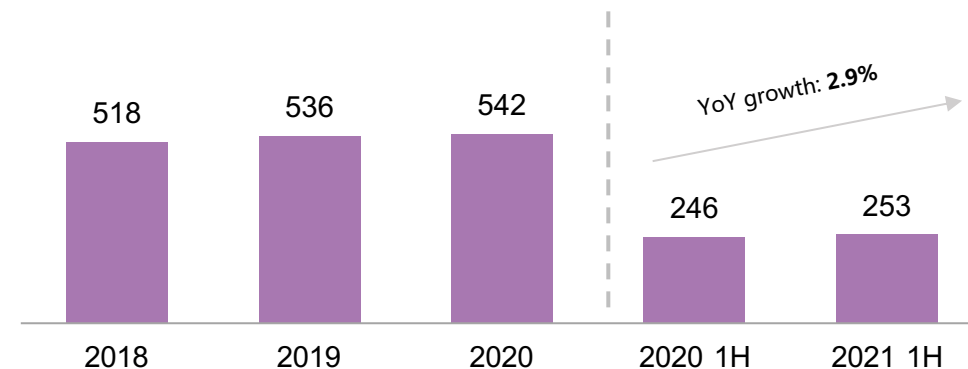
Revenue

(RMB million)



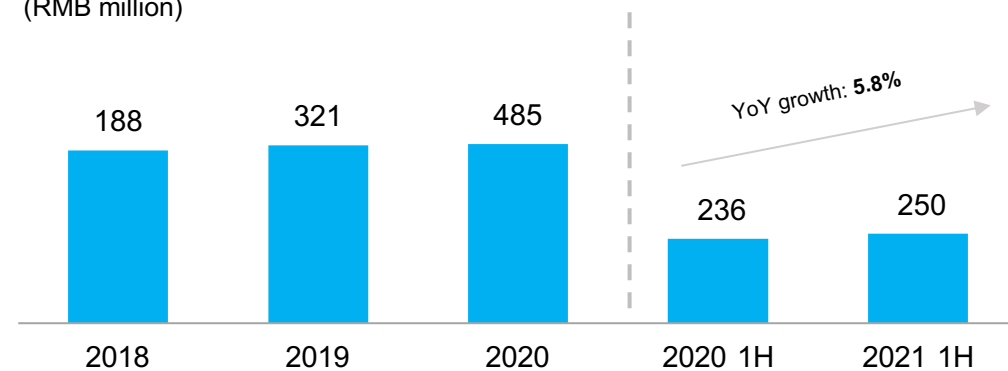
Net Profit

(RMB million)

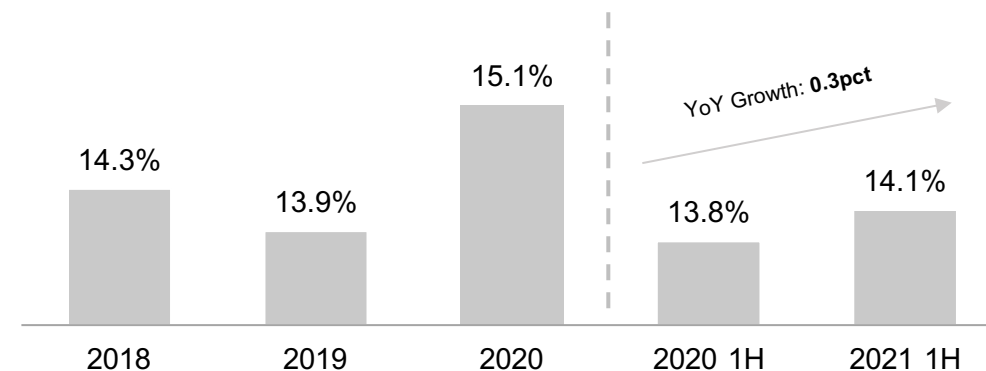


Net Profit Attributable to Shareholders

(RMB million)



Net Profit Margin



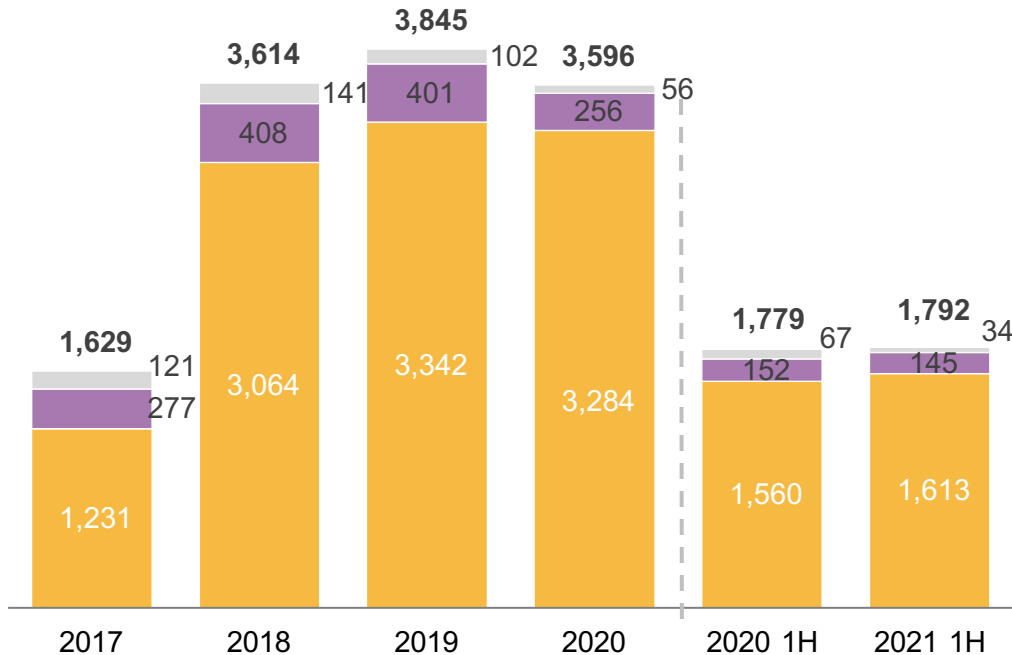
Balanced Growth on the back of Sound Fundamentals



Revenue Breakdown by Business Segment

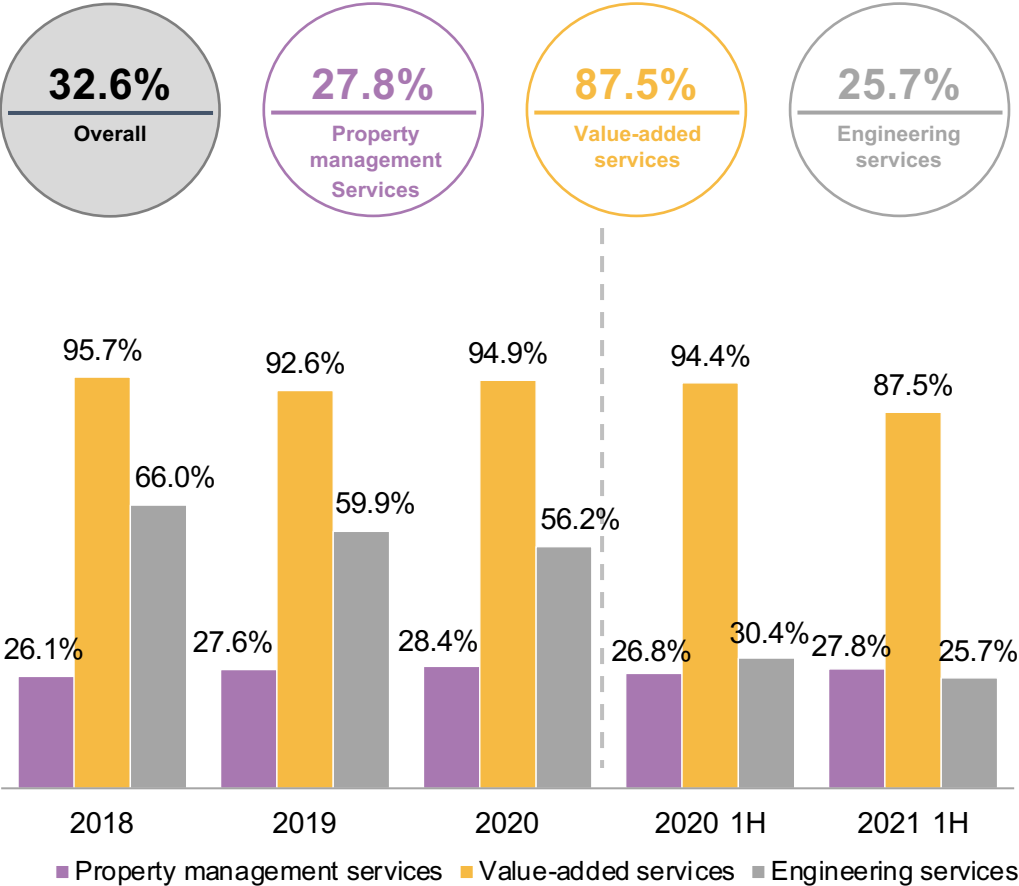
(RMB million)

■ Property management services ■ Value-added services ■ Engineering services



Gross Profit Margin by Business Segment

(RMB million)

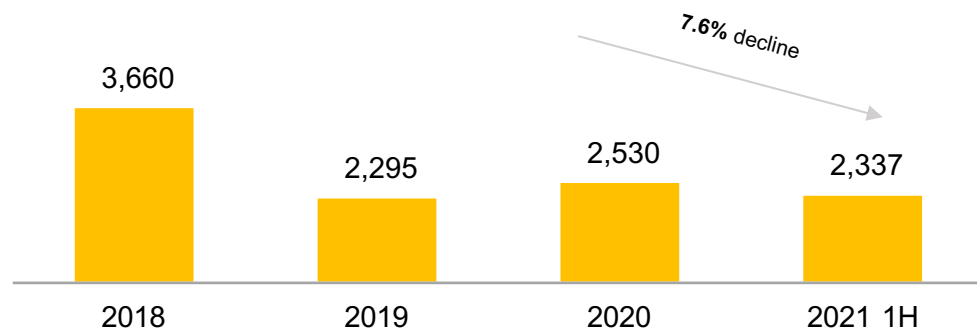


Optimized Financial and Capital Structure



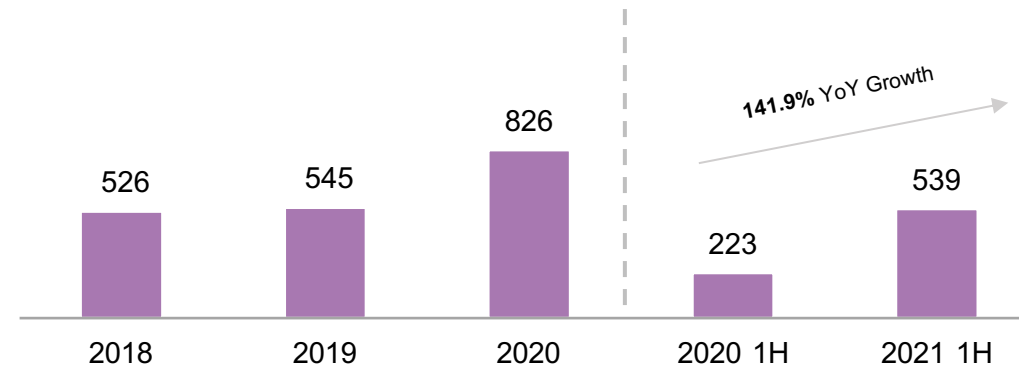
Total interest-bearing debt declining steadily

(RMB million)

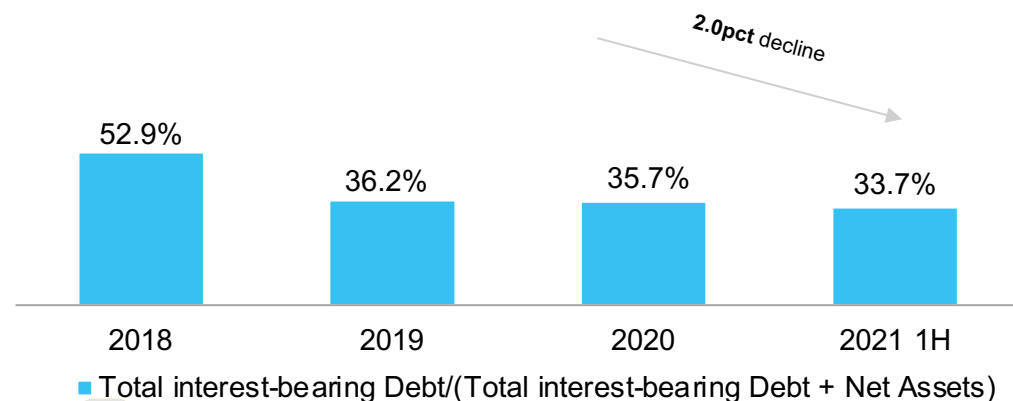


CFO increasing remarkably

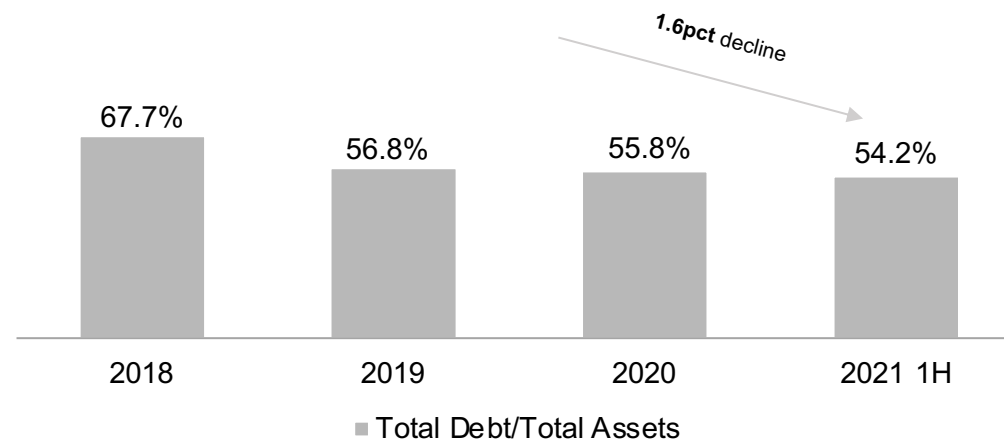
(RMB million)



Debt-to-Capital ratio decreasing gradually



Debt-to-Asset ratio decreasing continuously



Steady increase in GFA under management and marketability



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 has achieved rapid expansion and has become one of the largest community service operators in the country. Colour Life adheres to market oriented approach with approximately 98.5% GFA under management from independent third party developers

565 million sq.m.

As of 30 June 2021, the Total contracted GFA reached 565 million sq.m.

359 million sq.m.

As of 30 June 2021, the Revenue-bearing GFA reached 359 million sq.m.



279 cities

The projects cover 279 cities across the country

2,817 projects

2,817 projects across the country

10+ million residents

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





GROWTH: BUSINESS DEVELOPMENT

Building an Information Platform for Basic Property Management Services







We made efforts to build an informationised, digitalised and standardised management and service platform for basic property services, preliminarily dividing the entire property management service process and further improving the service efficiency of the Group.

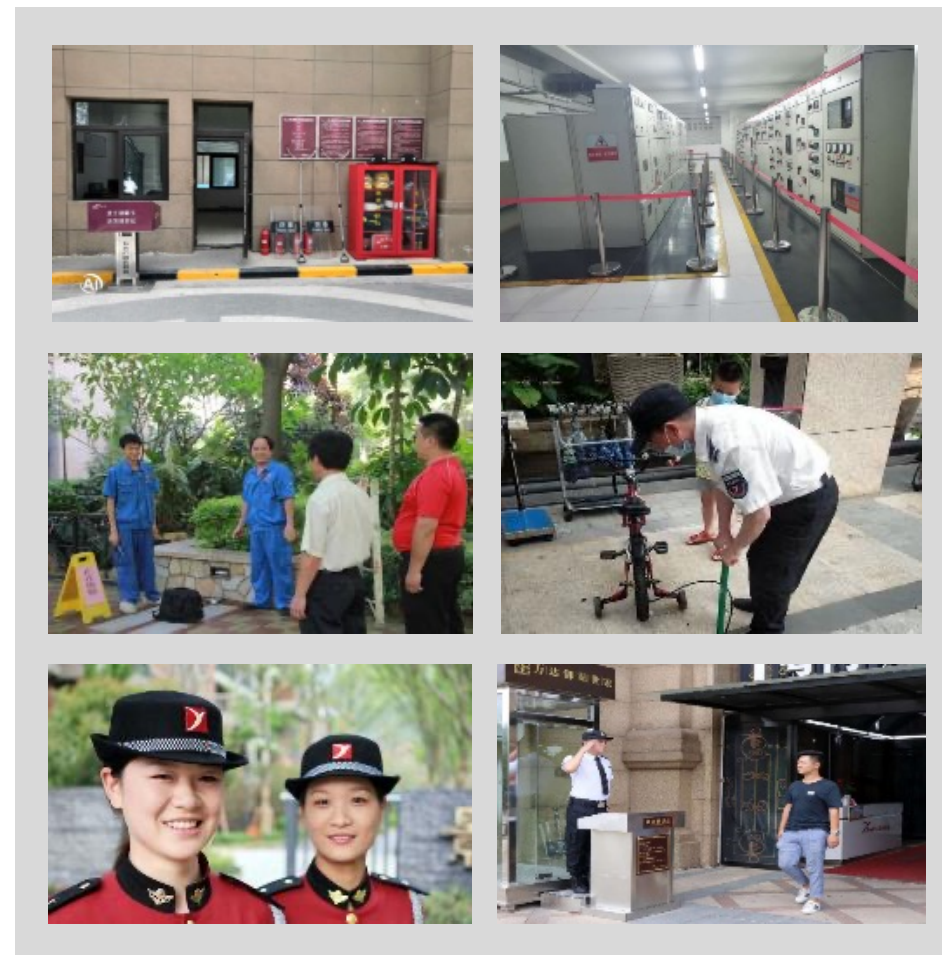


Making all-out efforts to improve community service quality



Since 2021, the Group continued to make great efforts to improve service quality, and came up with the key approaches of “facility improvement, prompt response, customised services and effective management”

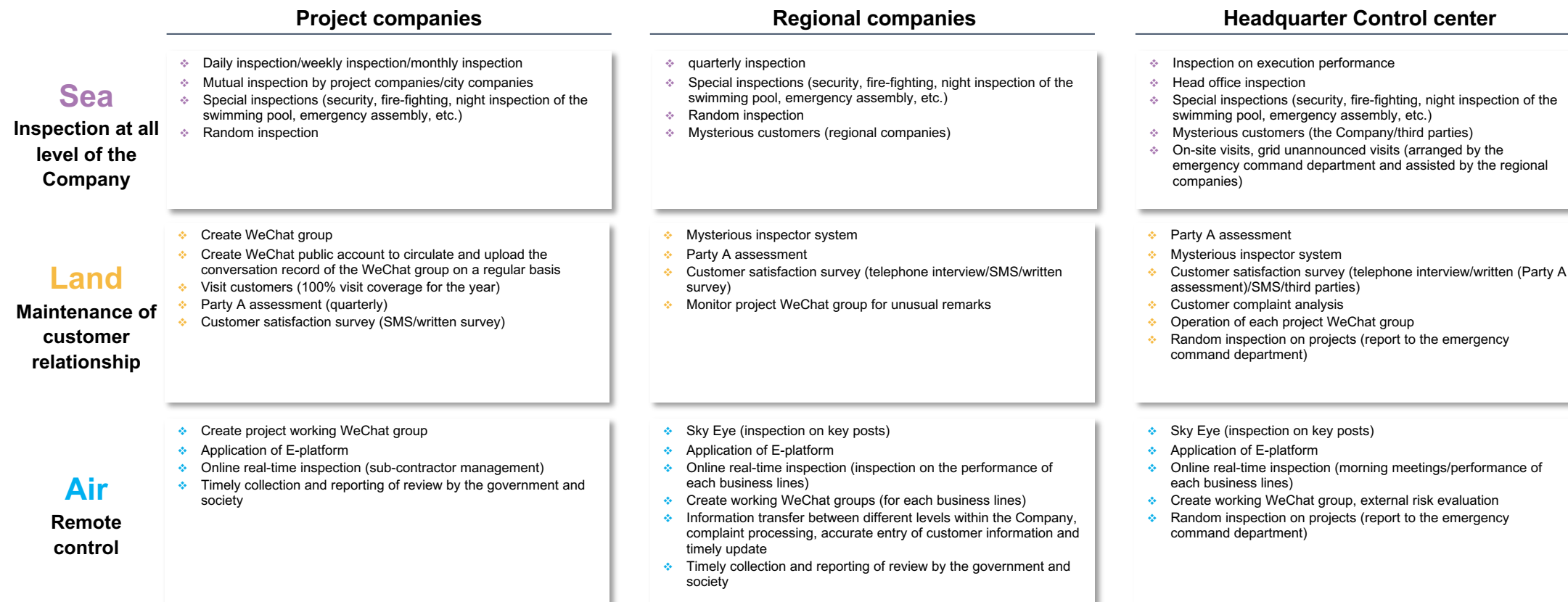
-  **“Facility improvement”**: the Group pushed forward the “Replacement” plan to improve the quality of its property projects. During the first half of the year, the Group completed improvement work on a total of 415 projects by making improvements to the issues raised by the clients such as the external walls, fire-fighting conditions, lifts and other aspects of the projects.
-  **“Prompt response”**: the Group made prompt response to clients’ concerns, addressed physical hardware quality issues and software service requests by the clients, in an aim to eliminate any loss, interruption, delay of information and other faults.
-  **“Customised services”**: Focusing on the key quality issues and differentiated expectations of the customers, the Group formulated targeted measures and implemented accountability system to address these issues and difficulties in an effective manner. The Group provided one-to-one customised services for the clients via corporate WeChat account, making persistent efforts to foster customer loyalty establish corporate customer profiles to better understand customer demands when providing services
-  **“Effective management”**: Leveraging on the three dimensional management system, the Group carefully listened to the residents’ concerns and expectations. Customers can communicate their concerns to the management office through any means such as butler, telephone, service center or by informing any service staff, enjoying full tracking service.



Achieving refined management through a “sea-land-air” three dimensional management system



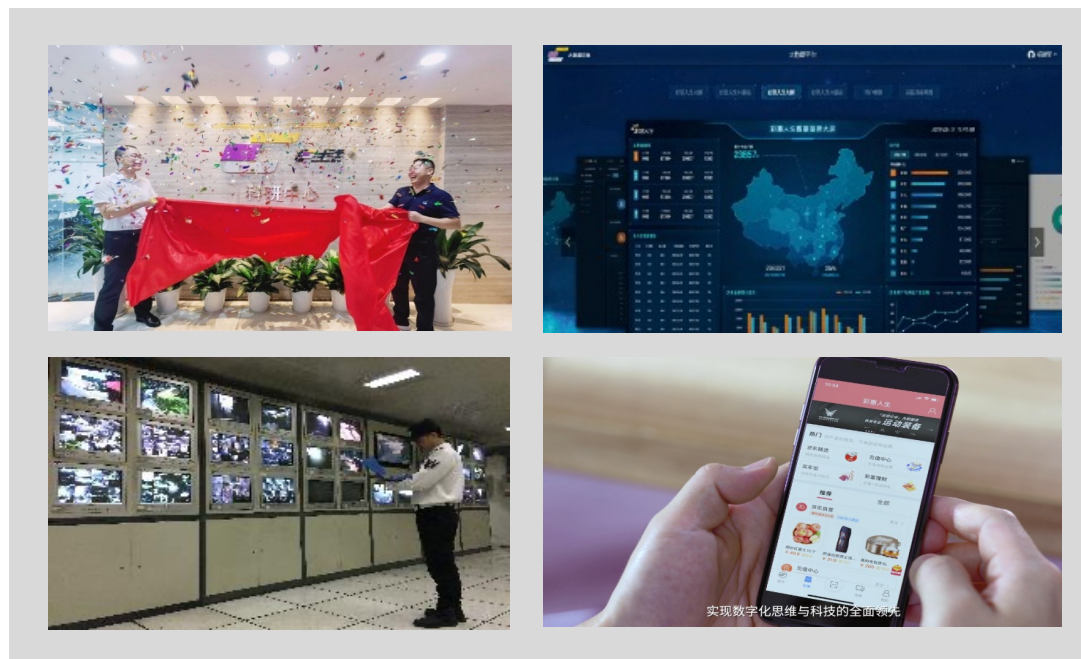
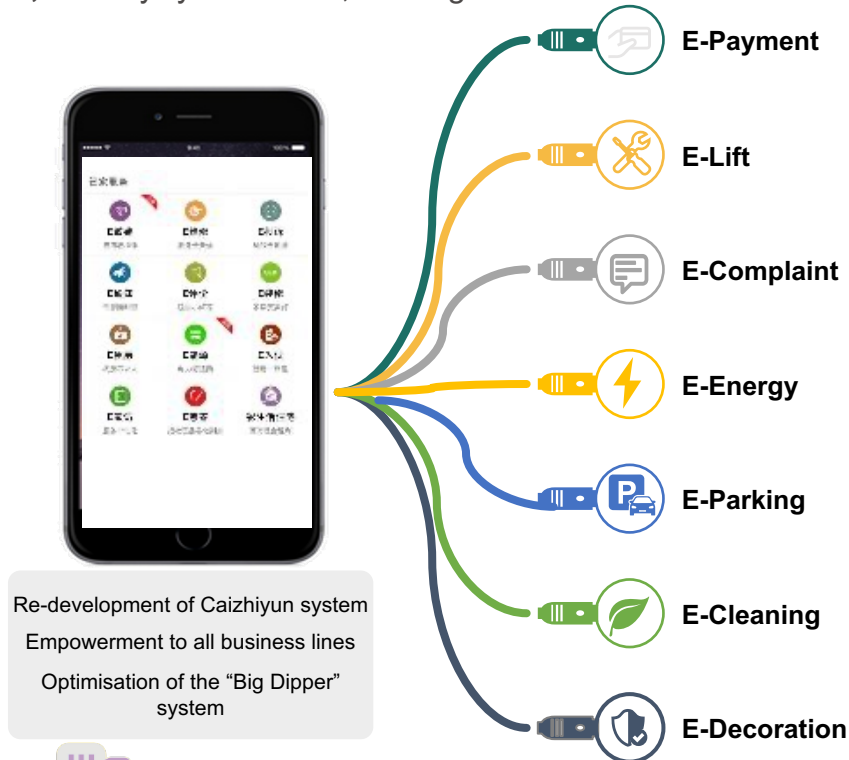
The Group implemented a “sea-land-air” three dimensional management system to manage its projects, that is to implement supervision, maintain customer relationship, remote management and control and timely project launch through its three-level hierarchy comprising project companies, regional companies and head office, enabling it to conduct assessment on the key indicators such as the service process, customer satisfaction, customer relationship management and onsite management, and achieving refined management of community services.



Strengthening intelligent properties to empower business frontlines



- Since its establishment, the Group has adopted its innovative motto of empowering property management business with application of technology. Through the development of the global leading community service platform Caizhiyun and “Big Dipper” system, not only has Colour Life strengthened its management platform and enriched its product content, but it has also created a comfortable living experience for its residents.
- In the first half of 2021, the Group established Colour Life Technology R&D Center, with an aim to further enhance its R&D capability and promote the establishment of intelligent communities. The Group made improvements to video surveillance (SkyEye), bluetooth entrance intercom, parking lots, patrol management, lift control and other sub-systems, with **57,000** improved security access points, over **1,000** new SkyEye projects and **5,200** SkyEye cameras, offering convenience and innovation while enhancing participation of the residents in daily use of the security systems.



Value-added Services Growing Steadily



- The Group continued to explore various community-focused value-added services by placing itself in the shoes of its customers. In the first half of 2021, the Group explored parking lot management as a community value-added service, expanding its parking-related services, and leveraging Zhonganxin's online insurance platform to create "inexpensiveness, fast, reliable and exclusive" auto insurance product for its customers.
- Color Life interacts with property owners through a combination of online and offline models, combining insurance products with diversified services to increase customer stickiness.



Inexpensiveness: Higher protection with lower price, aiming to achieve the best value for money;



Convenience: one-click quotation and 10-second online policy issuance. Swift transaction with zero waiting;



Reliability: Provision of reassuring transactions by joining hands with insurance companies;



Exclusiveness: passionate VIP services only available to residents of Colour Life, and only by Colour Life;



Organising colourful activities to promote community harmony



- Colour Life organised a wide variety of activities, with an aim to build a harmonious community and enrich the residents' community life. Colour Life completed **10** nationwide community activities during the first half of the year, attracting an average number of over **2 million** residents to participate in online and offline interaction activities for each single events. For example, during the Spring Festival, Colour Life organised **1,416** activities across the country, with over **2,000** resident group accounts for online interaction, attracting **2 million** people to participate in the online annual parties. Colour Life held the East Blink Day which lasted for two months from May to June and attracted over **2 million** residents from more than **1,000** communities across country, which recorded over **2.5 million** online interaction and TikTok viewing, offering a good opportunity to promote neighbourhood relationship.

January
Spring Festival themed
activities



February
Online annual party for
welcoming Spring
Festival



February
Lantern Festival
activity



Colour Life
IP image



March
Women's Day
activity



May
Mother's Day
activity



June
Dragon Boat Festival
activity



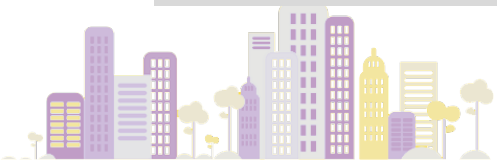
May to June The East Blink Day



Fighting against the Epidemic and Disaster Relief to Safeguard the Health and Safety of Our Residents



- Since 2021, the lingering Epidemic presented property management enterprises with constant challenges, in addition to which, flood prevention in the summer flood season came as a new challenge. In the face of the Epidemic, all employees of Colour Life worked hard at the frontline to safeguard the safety of communities. They have overcome severe challenges and delivered an excellent performance in the fight against the Epidemic and flood disaster, achieving great recognition from residents and the government.
- The Group promptly launched the flood contingency plan in the face of the extreme rainstorm battering Henan province in **July**. Hundreds of Colour Life employees from **14** projects in Henan province devoted their best endeavors in the frontline round the clock to fight against the flood by installing flood barriers, reinforcing flood sandbags and dredging, with an aim to consolidate the safety barriers of communities and safeguard the properties of the residents. During the disaster recovery period, there were around **4,510** vehicles in the underground parking lot of the project, over **2,600** storage rooms, more than **900** shops, and more than **5,000** spare non-motor vehicles in the basement.



Further Enhancing Brand Recognition from the Industry and Society



By enhancing the Group's multi-brand development strategy, the Group enjoys rising reputation from the industry and society, which laid a solid foundation for its organic growth through reputation and branding. The Group was ranked 7th of 2021 Top 100 Property Management Companies in China, ranked 4th of 2021 China Top 10 Property Management Companies in terms of Service Scale, and was granted many other awards at the 2021 Press Conference on Research Results of Top 100 Property Management Service Providers in China. Its brands such as Wanxiangmei and Kaiyuan International were also granted many awards.



China Index Academy “**2021 Top 100 Property Management Companies in China**” – 7th prize in terms of **Comprehensive Strength**



China Index Academy “**2021 China Top 10 Property Management Companies in terms of Service Scale**” – 4th prize



China Index Academy “**2021 China Leading Property Management Companies in terms of Service Quality**”



China Index Academy “**2021 China Commercial Property Management Exceptional Companies**” – 1st prize for **Wanxiangmei**



Guandian Index Academy “**2021 Top 20 Listed Property Management Companies of Outstanding Capital Market Performance in China**”



Guandian Index Academy “**2021 Top 50 Property Management Companies in China**”



The Economic Observer “**2021 Top 100 Blue Chip Property Management Companies**”



The Economic Observer “**Most Valuable Property Management Service Provider Brands**” – **Wanxiangmei**



The Economic Observer “**Outstanding High-end Property Management Service Providers**” – **Kaiyuan International**





EXCELLENCE: BUSINESS PROSPECT

Building up Strengths to Unleash Potential



At present, housing construction and development in tier 1 cities has become saturated, while community service industry in tier 2, 3 & 4 cities is still in highly fragmented stage, which is a vast "blue ocean" for Colour Life who is good at low-cost competition and with independent third-party expansion advantages



1

Size advantage

- Industry leader in terms of business size and serving over 10 million residents



2

Workforce advantage

- We have trained a managerial business backbone team with extensive experience and strong capabilities after 19-year development since the Group's foundation



3

Market-oriented operation advantage

- We have outstanding market expansion capability, with 99% of projects under management from third-party engagements



4

Advantage in smart technologies

- We focused on technological empowerment and joined hands with JD.com and 360.com, two Internet titans, to explore value-added business



5

Cost control advantage

- We have outstanding cost control capability which gives us unique advantages in competition as we can offer the best value-for-money services



6

Brand advantage

- We have implemented the multi-brand development strategy, and have built up brands such as Colour Life, Wanxiangmei and Kaiyuan International that has established business presence in their own niche market

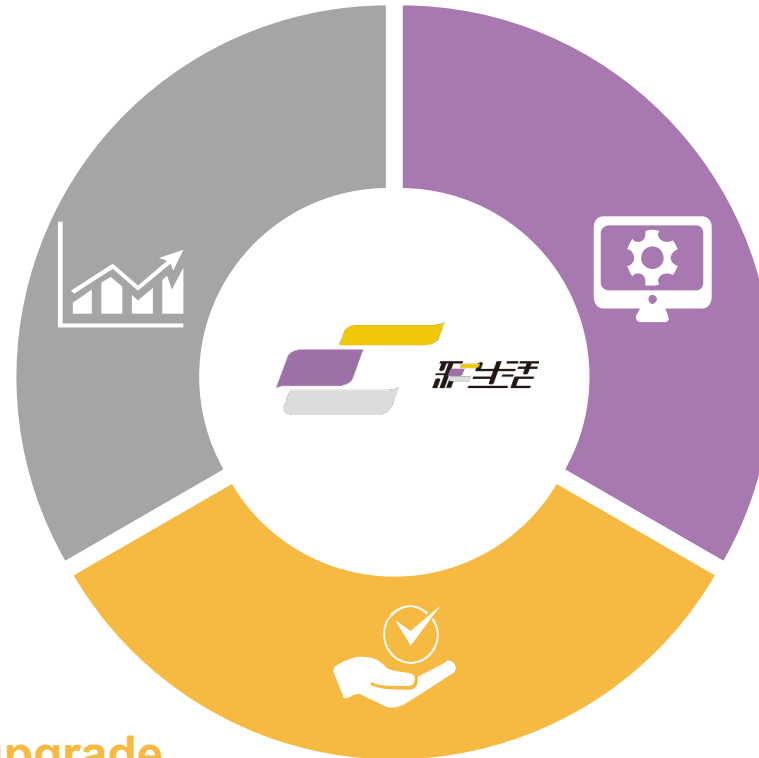


Making Breakthroughs In Multiple Aspects To Sustain Growth



Quality improvement

- ✓ Facility improvement : continue to promote the commencement of quality improvement projects
- ✓ Prompt response : make prompt response to clients' concerns
- ✓ Customised services : customise our services to resolve pain points concerning quality
- ✓ Effective management : we carefully listened to the residents' concerns and expectations to realise the three dimensional management and control



Scale expansion

- ✓ Increase revenue from existing projects: explore the development potential of existing projects to promote revenue growth
- ✓ Expedite new business: step up effort to develop new projects
- ✓ Differentiated competition: explore growth potential of low prices and achieve scale expansion
- ✓ Technical support: improve efficiency and reduce costs through technology

Service upgrade

- ✓ Value-added development: give full play to diversified operations in the community
- ✓ Value-added exploration: partner with leading technology companies to jointly explore new value-added services
- ✓ Community scenarios: detect community needs through analyzing the consumption patterns and demands of both property owners and the community
- ✓ Capturing value : Seize further business opportunities by capturing the intrinsic value of community services





感谢关注！

把 社 区 服 务 做 到 家

S E R V I C E T O F A M I L Y