



Colour Life Services Group Co., Limited

彩生活服務集團有限公司

(於開曼群島註冊成立的有限公司)

(股份代號：1778)

Colour Life Explores "Community+" Strategy Jointly With Internet Giants And Continues To Optimize Financial Structure

Financial and operational highlights for 2019

| | 2019 | Compared with 2018 |
|--|---------------------|-------------------------|
| <ul style="list-style-type: none"> Steady growth in performance; financial structure further optimized | | |
| Revenue | RMB 3,845.0 million | +6.4% |
| Profit attributable to the owners of the company | RMB 498.6 million | +2.8 % |
| Total debt | RMB 2,294.6 million | -37.3 % |
| Net gearing ratio | 8.9 % | -11.0 percentage points |
| <ul style="list-style-type: none"> Service scale keeps the lead; online platform applied in multiple fields | | |
| | 2019 | Compared with 2018 |
| GMV of online platform | RMB 12129.6 million | +28.4% |
| Ecosystem registered users | 36.4 million | +37.9% |
| Ecosystem active users | 16.7 million | +19.2% |
| <ul style="list-style-type: none"> Building smart community jointly with JD.com and 360.com; successful launch of “JD Essence Business (京选业务)” | | |
| <p>In recognition of the Group’s core values, JD.com and 360.com subscribed for 71,149,000 and 22,956,000 new ordinary shares of the Company at the price of HK\$5.22 per share, respectively. Upon completion of the transactions during the year, the aggregate shares of JD.com (including its related parties) and 360.com (including its related parties) accounted for 5.00% and 3.05%, respectively, of the Group’s enlarged equity interest.</p> | | |

In the future, the Group will cooperate with JD.com and 360.com to explore the commercial landscape in “community + commerce”, “community + logistics”, “community + technology” and “community + security”.

In October 2019, the Group and JD.com jointly launched “ JD Essence Business(京选业务)” . For the five months ended 18 March 2020, the first JD Essence Store received 22,044 orders from the property owners served by the Group with a transaction amount of RMB 0.6 million, achieved a space efficiency of approximately 14.7 times with traditional stores in the first month. Meanwhile, the total number of JD Essence Stores reached 5, covering 6 communities with 12,000 families under the management of the Group.

(31 March 2020, Hong Kong) Colour Life Services Group Co., Limited (“Colour Life” or the “Company”, stock code: 1778.HK; together with its subsidiaries, collectively referred to as the “Group”) is pleased to announce the Group’s audited annual results for 2019 (the “Period”).

- **Steady growth in performance; further optimization with debt structure**

Colour Life, marked 2019 with a steady growth, as revenue recorded RMB 3,845.0 million, and the profit attributable to the owners of the company reached RMB 498.6 million, with year-on-year growth of 6.4% and 2.8% respectively. The Group proposed the payment of a final dividend of RMB 9.12 cent per share of common stock, with a dividend payout ratio of 25%.

The Company continued to optimize its debt structure, and by 31 December 2019, the total debt reduced to RMB 2,294.6 million, with a year-on-year decrease of 37.3%. The debt-to-asset ratio decreased by 11 percentage points from 19.9 % to 8.9 % compared with the same period in 2018.

- **Service scale keeps the lead; online platform applied in multiple fields**

The Group focused on driving its organic growth through reputation and branding. With our outstanding property management experience, the newly

engaged management area during the reporting period reached 22.6 million sq.m., demonstrating the Group's core competitive strengths on service quality and market expansion. By 31 December 2019, the platform service area of the Group had reached 1,210.7 million square meters, including 562.0 million sq.m. of Total Contracted GFA, 648.7million sq.m. of cooperated and allied GFA.

With the promotion of more convenient ports such as WeChat applet, the number of users logging onto Caizhiyun through WeChat has increased significantly. By 31 December 2019, the number of registered users in Colour Life's ecosystem (including the "Caizhiyun (彩之云)" users at APP and WeChat, as well as the users of the product companies of Colour Life's ecosystem) surged by 37.9% to about 36.4 million, among which, the number of active users of the ecosystem increased 19.2% to 16.7 million. For the year 2019, the Gross Merchandise Volume (GMV) of the online platform accumulated to RMB 12,129.6 million.

Based on the in-depth understanding of the property management industry, Colour Life never slackens to upgrade itself via technology and attain high-quality property management. Equipped with technical support, the online platform has delivered applications in multiple fields. "Big Dipper (北斗七星)" curbs labor cost and improves overall management efficiency through the order-oriented property management services. The Group provides its underlying technology of "Caizhiyun (彩之云)" platform to cooperative partners, which undoubtedly empowers the industry. "Colour Benefits Life (彩惠人生)" and other related products transform owners' "payment" into owners' "consumption", creatively promoting consumption in communities and laying a solid foundation for further cooperation with JD.com in the future.

In addition, the Group consistently expands the application of its online platform technology. For instance, the Group developed Changsha Gardener APP for the Changsha City Public Security Bureau to support the "Mass Prevention and Treatment (群防群治)" of the city. By 31 December 2019, the number of registered users of this APP exceeded 5.53 million.

In terms of overseas expansion, the Group has set up an associate in Vietnam named “Hung Thai Technology Company Limited” (兴彩科技) with Phu My Hung Development Corporation to undertake the management of property projects in Vietnam. The Vietnamese version of “Caizhiyun APP (彩之云)” has already been launched, which mainly provides users with basic property management functions and business information services. By 31 December 2019, the Total Contracted GFA of Hung Thai Technology’s subsidiary reached 3.15 million square meters with 75 projects, the number of online commercial tenants amounted to 1,315.

- **Building a smart community jointly with JD.com and 360.com; “JD Essence Business” launched smoothly**

During the reporting period, the Group succeeded in concluding an important collaboration. On 19 July 2019, the Group reached agreements with an indirect wholly owned subsidiary of JD.com and an indirect wholly owned subsidiary of “360.com” (三六零安全科技股份有限公司), pursuant to which the Company would issue 71,149,000 shares and 22,956,000 shares to them respectively at a price of HK\$5.22 per share. Upon completion of the aforesaid transactions during the year, the aggregate shares held by JD.com and 360.com accounted for 5.00% and 3.05%, respectively, of the enlarged share capital.

In October 2019, the Group officially entered the new community retail business by jointly with JD.com launching the “JD Essence Business” (京选业务), providing property owners served by the Group with exclusively convenient and favourable services. Leveraging on the offline space and staff advantages of the Group, and coupled with the advantages of JD.com in the e-commerce business, this business aims to explore the new business mode of community retail. Such a new business model marked the prelude of a series of cooperation between the two parties based on the business scenarios of “Community + Commerce” and “Community + Logistics”.

For the five months ended 18 March 2020, the first JD Essence Store received 22,044 orders from the property owners served by the Group with a transaction amount of RMB 0.6 million, achieved a space efficiency of approximately 14.7 times with traditional stores in the first month. Meanwhile, the total number of

JD Essence Stores reached 5, covering 6 communities with 12,000 families under the management of the Group, demonstrating the completeness and replicability of the business mode. The Group will join hands with JD.com to further explore the commercial scenario sector in communities, and make continuous efforts to build a warm and intelligent community.

At the same time, based on the technological experience accumulated by 360.com in the field of core security, the Group will cooperate with 360.com in aspects like security, big data, Internet of Things and artificial intelligence.

- **Consolidating principal business; Creating synergy between online and offline operations**

As is remarked by Mr. PAN Jun, chairman of Colour Life Services Group Co., Limited: the coronavirus pandemic befalling at the beginning of 2020 unveils to the whole society the important role property management play on prevention and control on the front line, and makes enterprises with strong execution and reaction capability stand out, as Colour Life being one of them. During the fight against COVID-19, the deepening mutual understanding between the residents and the property management staffs, which lays a sound foundation for subsequent online and offline business development.

The community service industry in China will undergo a progressive development. “Community 1.0” aims to meet the owners’ rigid demands through providing “security, cleaning, greening and maintenance” basic services (namely “Four Guarantees”) to improve their satisfaction; “Community 2.0” aims to build a more harmonious community through carrying out a wide variety of themed community activities to create a closer and trustful relationship with the owners; and “Community 3.0” aims to further explore the consumption scenarios through offering the owners with various additional services.

Looking back, Colour Life has been leading the development trend of the industry. Looking ahead, Colour Life is well-positioned to continue to consolidate its offline property management business as the foundation of its business development, enhance neighborhood relationship and create a more

harmonious community. In addition, Colour Life will increase its efforts to explore various consumption scenarios and promote business development empowered with online value-added services, developing itself into the service provider not only has the largest service area, but also owns the most diversified product portfolio and best service quality, so as to better meet the people's needs for a beautiful life in the future and live up to our promise of "Service to Your Family".

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About Colour Life Services Group Co., Limited

Headquartered in Shenzhen, Colour Life Services Group Co., Limited is a leading technology-based and comprehensive service operator of community platform in China. In recent years, with a business strategy of standardization, centralization and automation, Color Life has achieved rapid growth in the service area by transforming itself into a platform-based enterprise, providing community services that balance cost and quality, so as to maintain its leading position in China's property management industry. In the meantime, Colour Life has always specialized in broadening the scope of the services of its online platforms to serve the diverse needs of the communities and establishing offline and online service platforms through the internet, thus connecting efficiently the community residents with various commodity and service suppliers and providing customers with the best residential service experience. The move will help to build an ecosystem of community-based services and thus to maintain the momentum of the Group's development.