Colour Life Services Group Co., Limited
彩生活服務集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1778)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

— On 30 June 2014, the Company completed the initial public offering and the shares of the Company were duly listed on the Main Board of SEHK for trading. After deducting the listing expenses, a total net proceed of approximately RMB710 million was raised on the first day of the listing.

— The Group's total revenue increased by 67.0% to RMB389.3 million in 2014 from RMB233.1 million in 2013.

— The Group's gross profit increased by 115.8% to RMB309.9 million in 2014 from RMB143.6 million in 2013. Gross profit margin increased by 18 percentage points to 79.6% in 2014 from 61.6% in 2013.

— The Group's profit increased by 230.8% to RMB150.5 million in 2014 from RMB45.5 million in 2013.

— Basic earnings per share increased by 175.8% to RMB16.66 cents in 2014 from RMB6.04 cents in 2013.

— As at 31 December 2014, the Group's total bank balances and cash was approximately RMB687.0 million (2013: approximately RMB146.1 million), representing an increase of 370.2% as compared to that as at 31 December 2013.

— The Board proposed the payment of a final dividend of HK$9.00 cents per share, representing about 50% dividend payout ratio, for the year ended 31 December 2014.

— As at 31 December 2014, the Group's contracted GFA increased by 122.4% from 92.3 million sq.m. to 205.3 million sq.m. as compared to that as at 31 December 2013.

The board (the "Board") of directors (the "Directors") of Colour Life Services Group Co., Limited 彩生活服務集團有限公司 (the "Company" or "Colour Life") is pleased to announce the audited financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*3*	**389,287**	233,069
Cost of sales and services		**(79,405)**	(89,422)
Gross profit		**309,882**	143,647
Other gains and losses	*4*	**(11,943)**	(10,122)
Other income	*4*	**4,241**	4,289
Selling and distribution expenses		**(1,687)**	(1,915)
Administrative expenses		**(92,864)**	(60,276)
Expenses recharged to residential communities under commission basis		**20,029**	17,348
Finance costs	*5*	**(1,920)**	(630)
Listing expenses		**(16,282)**	(22,854)
Changes in fair value of investment properties		**1,941**	230
Share of results of associates		**58**	175
Share of results of a joint venture		**378**	265
Gain on disposal of subsidiaries		**–**	778
Profit before tax		**211,833**	70,935
Income tax expense	*6*	**(61,347)**	(25,467)
Profit for the year	*7*	**150,486**	45,468
Profit for the year attributable to:			
— Owners of the Company		**145,675**	44,368
— Non-controlling interests		**4,811**	1,100
		150,486	45,468
Earnings per share (RMB cents)			
— Basic	*9*	**16.66**	6.04
— Diluted		**16.66**	6.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	NOTES	**2014** **RMB'000**	2013 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**67,546**	23,513
Intangible assets		**26,850**	624
Investment properties	*11*	**29,790**	26,758
Interests in associates		**1,295**	1,107
Interest in a joint venture		**946**	568
Goodwill		**105,188**	50,537
Trade receivables	*12*	**4,802**	7,585
Other receivables and prepayments		**5,657**	5,334
Deferred tax assets		**5,839**	3,848
Deposits paid for potential acquisitions of subsidiaries		**142,661**	–
		390,574	119,874
CURRENT ASSETS			
Inventories		**862**	200
Trade receivables	*12*	**152,662**	49,566
Other receivables and prepayments		**69,470**	43,339
Payments on behalf of residents	*13*	**86,214**	43,966
Amounts due from customers for contract works	*14*	**41,113**	43,892
Amount due from immediate holding company		**–**	1
Amounts due from fellow subsidiaries		**20,157**	32,153
Amounts due from non-controlling shareholders		**14,989**	13,063
Amounts due from related parties		**336**	1,303
Pledged/restricted bank deposits	*15*	**136,323**	997
Bank balances and cash	*15*	**687,031**	146,113
		1,209,157	374,593

	NOTES	2014 RMB'000	2013 RMB'000
CURRENT LIABILITIES			
Trade payables	*16*	**25,975**	20,851
Other payables and accruals		**176,252**	93,387
Receipts on behalf of residents	*13*	**72,745**	96,804
Amounts due to customers for contract works	*14*	**8,195**	2,784
Amounts due to fellow subsidiaries	*17*	**1,777**	36,719
Amount due to immediate holding company	*17*	**–**	1,428
Amounts due to non-controlling shareholders	*17*	**5,846**	1,809
Amount due to an associate	*17*	**775**	2,387
Amount due to a joint venture	*17*	**94**	94
Tax liabilities		**83,906**	45,910
Borrowings due within one year	*18*	**127,927**	162
		503,492	302,335
NET CURRENT ASSETS		**705,665**	72,258
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,096,239**	192,132
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**7,385**	509
Amount due to a non-controlling shareholder	*17*	**1,572**	1,091
Borrowings due after one year	*18*	**18**	215
Redeemable shares	*19*	**–**	6,614
TOTAL NON-CURRENT LIABILITIES		**8,975**	8,429
NET ASSETS		**1,087,264**	183,703
CAPITAL AND RESERVES			
Share capital	*20*	**79,315**	164
Reserves		**992,286**	178,761
Equity attributable to owners of the Company		**1,071,601**	178,925
Non-controlling interests		**15,663**	4,778
TOTAL EQUITY		**1,087,264**	183,703

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 16 March 2011. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK") since 30 June 2014. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of the principal place of business of the Company in Hong Kong is Room 1202–03, New World Tower 1, 16–18 Queen's Road Central, Central, Hong Kong. The address of the headquarter and principal place of business of the Company in the People's Republic of China (the "PRC") is 12th Floor, Colour Life Building, Meilong Road, Liuxian Avenue, Bao'an District, Shenzhen, the PRC.

The Company's immediate holding company is Fantasia Holdings Group Co., Limited ("Fantasia Holdings"), a company which was incorporated as an exempted company with limited liability in the Cayman Islands and its shares are listed on the Main Board of the SEHK. Its ultimate holding company is Ice Apex Limited, a limited liability company incorporated in the British Virgin Islands (the "BVI"). Its ultimate controlling party is Ms. Zeng Jie, Baby.

The principal activity of the Company is investment holding. Its subsidiaries are primarily engaged in the provision of property management services, the provision of engineering services and the provision of community leasing, sales and other services.

The consolidated financial statements is presented in Renminbi ("RMB"), which is the same as the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group had applied the following new and revised HKFRSs issued by the Hong Kong Certified Public Accountants ("HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 July 2014
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of the Limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described as follows:

All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future may not have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

HKFRS 15 "Revenue from contracts with Customer"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipates that the application of HKFRS 15 in the future may affect the amounts reported and related disclosures. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvement to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce special guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 "Disclosure-Offsetting Financial Assets and Financial Liabilities" issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 Interim Financial Reporting.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

Except for the above impact, the Directors of the Company do not anticipate that the application of other new and revised HKFRSs will not have significant impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

The segment information reported externally was analysed on the basis of the different services supplied by the Group's operating divisions which is consistent with the internal information that are regularly reviewed by the directors of the Company, the chief operating decision maker, for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in services. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group has three reportable and operating segments as follows:

1. Property management services — Provision of property management services to primarily residential communities and property management consultancy services provided to other property management companies.

2. Engineering services — Provision of equipment installation services, repair and maintenance services and equipment leasing.

3. Community leasing, sales and other services — Provision of common area rental assistance, purchase assistance and residential and retail units rental and sales assistance and provision of property agency services.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, interest income from banks, rental income from investment properties, certain non-recurring income, changes in fair value of investment properties, gain on disposal of subsidiaries, share of results of associates and a joint venture, finance costs, share-based payment and listing expenses. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and assessment of segment performance.

Inter-segment revenue is charged at prevailing market rates and eliminated on consolidation.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment.

	Property management services *RMB'000*	Engineering services *RMB'000*	Community leasing, sales and other services *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Year ended 31 December 2014					
External revenue	**236,305**	**87,665**	**65,317**	**–**	**389,287**
Inter-segment revenue	**–**	**2,936**	**–**	**(2,936)**	**–**
Segment revenue	**236,305**	**90,601**	**65,317**	**(2,936)**	**389,287**
Segment profit	**167,918**	**31,600**	**60,182**		**259,700**
Changes in fair value of investment properties					**1,941**
Share of results of associates					**58**
Share of results of a joint venture					**378**
Finance costs					**(1,920)**
Bank interest income					**1,308**
Rental income from investments properties					**24**
Listing expenses					**(16,282)**
Share-based payment					**(29,955)**
Other unallocated expenses					**(3,419)**
Profit before tax					**211,833**

	Property management services RMB'000	Engineering services RMB'000	Community leasing, sales and other services RMB'000	Elimination RMB'000	Total RMB'000
Year ended 31 December 2013					
External revenue	136,803	51,623	44,643	–	233,069
Inter-segment revenue	–	4,319	910	(5,229)	–
Segment revenue	136,803	55,942	45,553	(5,229)	233,069
Segment profit	41,922	11,533	39,871		93,326
Changes in fair value of investment properties					230
Investment income of financial assets classified as FVTPL					1,420
Share of results of an associate					175
Share of results of a joint venture					265
Finance costs					(630)
Bank interest income					554
Rental income from investments properties					28
Gain on disposal of subsidiaries					788
Listing expenses					(22,854)
Share-based payment					(370)
Other unallocated expenses					(1,997)
Profit before tax					70,935

Other segment information

	Property management services *RMB'000*	**Engineering services** *RMB'000*	**Community leasing, sales and other services** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2014				
Segment information included in the measure of segment profit:				
Bad debt recovery related to other receivables	**–**	**–**	**372**	**372**
Amortisation of intangible assets	**3,222**	**–**	**–**	**3,222**
Depreciation of property, plant and equipment	**3,347**	**3,189**	**126**	**6,662**
Fair value gain on non-current interest-free deposit	**323**	**–**	**–**	**323**
Impairment loss recognised on payments on behalf of residents under commission basis	**5,849**	**–**	**–**	**5,849**
Impairment loss recognised on trade receivables	**4,300**	**1,277**	**–**	**5,577**
Imputed interest income on non-current interest-free trade receivables	**–**	**774**	**–**	**774**
Loss on disposal of property, plant and equipment	**174**	**–**	**–**	**174**

	Property management services RMB'000	Engineering services RMB'000	Community leasing, sales and other services RMB'000	Total RMB'000
Year ended 31 December 2013				
Segment information included in the measure of segment profit:				
Bad debt written off related to deposit paid for acquisition of subsidiaries	350	–	–	350
Bad debt written off related to other receivables	590	–	–	590
Bad debt recovery related to other receivables	–	–	576	576
Amortisation of intangible assets	1,189	–	–	1,189
Depreciation of property, plant and equipment	1,985	1,086	858	3,929
Fair value loss on non-current interest-free deposit	666	–	–	666
Impairment loss recognised on payments on behalf of residents under commission basis	5,846	–	–	5,846
Impairment loss recognised on				
— trade receivables	–	–	415	415
— trade receivables — invoice to be issued	–	785	–	785
Imputed interest income on non-current interest-free trade receivables	–	408	–	408
Loss on disposal of property, plant and equipment	1,846	–	–	1,846

Revenue from major services

	2014 ***RMB'000***	2013 *RMB'000*
Property management services		
Property management services fee under commission basis	**121,488**	64,494
Property management services fee under lump sum basis	**30,236**	34,744
Pre-sale services	**31,069**	37,037
Property management consultancy services fee	**53,512**	528
	236,305	136,803
Engineering services		
Installation service fees from provision of engineering services	**18,992**	34,206
Services fee from provision of repair and maintenance services	**57,099**	14,788
Equipment leasing income	**11,574**	2,629
	87,665	51,623
Community leasing, sales and other services		
Community rental, purchase and sales assistance services	**65,317**	44,643
	389,287	233,069

Geographical information

The Group's revenue from external customers is derived mainly from its operations in the PRC, and non-current assets of the Group are located in the PRC.

Information about major customers

During the year ended 31 December 2013, the subsidiaries of Fantasia Holdings, other than the Group, contributed over 10% of the total revenue of the Group on an aggregated basis. During the year ended 31 December 2014, the transactions with the subsidiaries of Fantasia Holdings contributed less than 10% of total revenue of the Group on an aggregated basis. These revenue are mainly involved in property management services segment and engineering service segment. Save as disclosed, there was no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. OTHER GAINS AND LOSSES AND OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Other gains and losses		
Written off of deposit paid for acquisition for a subsidiary	**–**	(350)
Written off of other receivables	**–**	(590)
Recovery of other receivables previously written off	**372**	576
Impairment loss recognised on trade receivables	**(5,577)**	(1,200)
Impairment loss recognised on payments on behalf of residents under commission basis	**(5,849)**	(5,846)
Loss on disposal of property, plant and equipment	**(174)**	(1,846)
Fair value adjustment on non-current interest-free deposit	**323**	(666)
Exchange loss	**(1,362)**	–
Others	**324**	(200)
	(11,943)	(10,122)
Other income		
Bank interest income	**1,308**	554
Interest income from advance to a customer	**–**	222
Unconditional government grants	**2,029**	1,657
Imputed interest income on non-current interest-free trade receivables	**774**	408
Rental income from investment properties *(note)*	**24**	28
Investment income of financial assets classified as FVTPL	**–**	1,420
Others	**106**	–
	4,241	4,289

Note: Direct operating expense incurred for investment properties that generated rental income during the years were insignificant.

5. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest on:		
Amount due to a non-controlling shareholder of a subsidiary	**(145)**	(135)
Redeemable shares	**(218)**	(437)
Bank borrowings wholly repayable within five years	**(1,557)**	(58)
	(1,920)	(630)

6. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax ("EIT")	**(63,756)**	(27,596)
Singapore Profit Tax	**(68)**	–
	(63,824)	(27,596)
Deferred tax		
Current year	**2,477**	2,129
	(61,347)	(25,467)

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the income of the Group neither arises in nor is derived from Hong Kong.

The Group's PRC enterprise income tax and Singapore profit tax are calculated based on the applicable tax rate on assessable profits, if applicable.

Deferred tax has not been provided for in the consolidated financial statements in respect of the tax effect of temporary differences attributable to the accumulated undistributed earnings of the subsidiaries of the Company established in the PRC amounting to approximately RMB276,905,000 and (2013: RMB143,000,000) as the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

7. PROFIT FOR THE YEAR

	2014	2013
	RMB'000	*RMB'000*
Profit has been arrived at after charging:		
Directors' remuneration	**6,027**	807
Other staff's salaries and allowance	**66,202**	64,054
Retirement benefits scheme contributions	**7,302**	5,943
Share-based payment expenses	**29,995**	370
Total staff costs	**109,526**	71,174
Auditors' remuneration	**2,504**	54
Amortisation of intangible assets	**3,222**	1,189
Depreciation for property, plant and equipment	**6,662**	3,929

8. DIVIDEND

Subsequent to the end of the reporting period, a financial year ended 31 December 2014 of HK$9.00 cents, equivalent to RMB7.28 cents (2013: nil) per share amounting to approximately HK$90,000,000 in aggregate has been proposed by directors for approval by the shareholders in the annual general meeting. The final dividends proposed after the end of the reporting period has not been recognised as a liability at the end of reporting period.

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2014	2013
Earnings (RMB'000)		
Earning for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**145,675**	44,368
Number of shares ('000)		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**874,271**	734,317

The calculation of the basic earnings per share for the year ended 31 December 2014 is based on the profit for the year attributable to owners of the Company of approximately RMB145,675,000 (2013: RMB44,368,000) and the weighted average number of ordinary shares in issue during the year ended 31 December 2014 of 874,271,087 (2013: 734,317,225) on the assumption that the corporate reorganisation (details are set out in "History, Development and Reorganisation" of the prospectus issued by the Company dated 17 June 2014) and the capitalisation issue had been completed on 1 January 2013.

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding redeemable shares since their exercise would result in an increase in earnings per share for the years ended 31 December 2013 and 2014 up to the date of transfer of redeemable shares to ordinary shares at 30 June 2014.

The computation of diluted earnings per share does not assume the exercise of the share options granted by the Company during the year ended 31 December 2014 as the exercise price is higher than the average market price of the Company's shares during the year ended 31 December 2014.

10. PROPERTY, PLANT AND EQUIPMENT

	Building *RMB'000*	Leasehold improvement *RMB'000*	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
COST						
At 1 January 2013	–	4,422	9,526	1,024	4,737	19,709
Additions	–	1,072	2,499	607	13,002	17,180
Acquisitions of subsidiaries	–	–	2,856	–	–	2,856
Transfer	–	–	6,331	–	(6,331)	–
Disposal	–	(948)	(5,926)	(203)	–	(7,077)
Disposal of subsidiaries	–	(4)	(623)	(427)	–	(1,054)
At 31 December 2013	**–**	**4,542**	**14,663**	**1,001**	**11,408**	**31,614**
Additions	**3,813**	**–**	**8,660**	**357**	**37,173**	**50,003**
Acquisitions of subsidiaries	**–**	**297**	**296**	**273**	**–**	**866**
Transfer	**–**	**–**	**32,801**	**–**	**(32,801)**	**–**
Disposals	**(327)**	**(253)**	**(406)**	**–**	**–**	**(986)**
At 31 December 2014	**3,486**	**4,586**	**56,014**	**1,631**	**15,780**	**81,497**
ACCUMULATED DEPRECIATION						
At 1 January 2013	–	2,376	6,609	367	–	9,352
Provided for the year	–	959	2,798	172	–	3,929
Eliminated on disposal	–	(778)	(3,870)	(203)	–	(4,851)
Eliminated on disposal of subsidiaries	–	(4)	(267)	(58)	–	(329)
At 31 December 2013	**–**	**2,553**	**5,270**	**278**	**–**	**8,101**
Provided for the year	**573**	**613**	**5,136**	**340**	**–**	**6,662**
Eliminated on disposals	**(277)**	**(140)**	**(395)**	**–**	**–**	**(812)**
At 31 December 2014	**296**	**3,026**	**10,011**	**618**	**–**	**13,951**
CARRYING VALUES						
At 31 December 2014	**3,190**	**1,560**	**46,003**	**1,013**	**15,780**	**67,546**
At 31 December 2013	–	1,989	9,393	723	11,408	23,513

The above items of property, plant and equipment other than the construction in progress are depreciated on a straight-line basis over the following period:

Building	Over the shorter of the term of lease or 50 years
Leasehold improvement	3–10 years
Furniture, fixtures and equipment	5 years
Motor vehicles	5–10 years

11. INVESTMENT PROPERTIES

	RMB'000
FAIR VALUE	
At 1 January 2013	12,620
Additions	13,908
Net increase in fair value recognised in profit or loss	230
At 31 December 2013	**26,758**
Additions	**6,520**
Disposal	**(5,429)**
Net increase in fair value recognised in profit or loss	**1,941**
At 31 December 2014	**29,790**

The fair values of the Group's completed investment properties at 31 December 2014 and 2013 have been arrived at on the basis of valuations carried out on those dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a firm of independent qualified professional valuers not connected with the Group. The valuations of completed investment properties were arrived at by reference to market evidence of transaction prices for similar properties in the similar locations and conditions, where appropriate.

The investment properties are held under medium term of lease in the PRC. They are not held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time and therefore the presumption to recover entirely through sale is not rebutted. The Group has recognised deferred taxation on fair value changes of investment properties taking into account the land appreciation tax on disposal.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

12. TRADE RECEIVABLES

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Trade receivables		**152,834**	41,868
Retention receivables		**1,508**	1,656
Invoices to be issued	*(a) & (b)*	**8,742**	14,668
		163,084	58,192
Less: allowance for doubtful debts		**(5,620)**	(1,041)
Total trade receivables		**157,464**	57,151
Classified as:			
Non-current	*(c)*	**4,802**	7,585
Current		**152,662**	49,566
		157,464	57,151

Notes:

a. For the customers of installation of energy-saving lighting systems, of which they are mainly the residential communities managed by the Group, the Group allows the customers to settle the installation fee over a 48-month interest-free period. According to the agreements between the Group and the customers, the energy-saving systems are installed in these residential communities and the Group would bill the residential communities at the end of each month over the 48-months period. The unbilled installation revenue is discounted at an effective interest rate of 8.3% per annum (2013: 8.3% per annum) for the year ended 31 December 2014. Upon meeting the revenue recognition criterias, installation revenue recognised prior to the issuance of invoice is recognised as "invoice to be issued" in the consolidated statement of financial position.

b. The Group entered into agency service agreement for providing rental information to Shenzhen Caizhijia Real Estate Planning Co., Ltd. ("Caizhijia"), an independent third party. According to the agreement entered into between the Group and Caizhijia, the agency services provided by the Group to Caizhijia in each calendar month will be determined and finalised between both parties at the end of each calendar month, and the Company will bill the agency fee payable by Caizhijia in six equal installments from July to December of the following year. In addition, the Group also entered into an agreement to allow Caizhijia to use its online rental information platform. The Group will bill Caizhijia twelve months after the end of each reporting period on the trade receivables in relation to the usage of online rental information platform by Caizhijia. Upon meeting the revenue recognition criteria, agency fee and online platform usage fee income recognised prior to issuance of invoice is recognised in the consolidated statement of financial position as invoice to be issued.

c. Trade receivables classified as non-current represented the following:

   (a) Installation revenue to be billed after twelve months from the end of each of the reporting date on the trade receivables arisen from the installation of energy-saving lighting systems as mentioned in note a above.

   (b) Income to be billed after twelve months from the end of each of the reporting date on the trade receivables arisen from the provision of rental information and agency services to Caizhijia as mentioned in note b above.

   (c) The retention receivables arisen from engineering services whereby the Group expects the settlement from customers will be made after twelve months from the end of each reporting period, which is based on the expiry of the retention period.

Trade receivables are mainly arisen from management and service income under lump sum basis from property management services, installation contract income and automation equipment upgrade services income from engineering services and service income from community leasing, sales and other services.

Management and service fee income under lump sum basis from property management services are received in accordance with the terms of the relevant property service agreements. Service income from property management services are due for payment by the residents upon the issuance of demand note, the receiving pattern of the management and service income from property management services are normally within 30 days to 1 year after the issuance of demand note to the residents. Each customer from the property management services has a designated credit limit.

Installation service fee and automation equipment upgrade service income from engineering services are received in accordance with the terms of the relevant installation contract agreements, normally within 30 to 91 days from the issuance of payment requests.

Service income from community leasing, sales and other services is due for payment upon the issuance of demand note.

Certain trade receivables in relation to the installation work of energy-saving lighting systems from engineering services are under 48-month interest-free instalment sales contracts entered with customers. The credit period is normally within 90 days from the issuance of payment requests.

The following is an aging analysis of gross trade receivables presented based on the invoice date or date of demand note at the end of the reporting period, which approximated to the respective revenue recognition date, except for trade receivables from engineering services and trade receivables from agency service provided to Caizhijia, of which the invoice date represented the payment due date:

	2014	2013
	RMB'000	*RMB'000*
0 to 30 days	**49,339**	8,553
31 to 90 days	**40,522**	10,997
91 to 180 days	**27,969**	9,296
181 to 365 days	**21,009**	9,442
Over 1 year	**13,995**	3,580
	152,834	41,868

For the engineering services and community leasing, sales and other services, before accepting any new customer, the Group would assess the potential customer's credit quality and defined credit rating limits of each customer. Limits attributed to customers are reviewed once a year.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date on which the credit was initially granted up to the reporting date and no impairment is necessary for those balances which are not past due.

In determining the recoverability of trade receivables from the property management services, the Group estimates the recoverable amount of property management fee in each residential communities managed by the Group. Considering the residents are living in these residential communities managed by the Group, together with good collection record from the residents and subsequent settlement, in the opinion of the directors of the Company, the trade receivables from property management services are of good credit quality and no impairment allowance is necessary in respect of the remaining unsettled balances.

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB96,160,000 (2013: RMB34,291,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of past due but not impaired trade receivables

	2014	2013
	RMB'000	*RMB'000*
0–90 days	**37,504**	15,999
91–180 days	**27,969**	8,964
181–365 days	**18,009**	6,360
Over 365 days	**12,678**	2,968
	96,160	34,291

In determining the recoverability of trade receivables — invoice to be issued in relation to the installation work of energy-saving lighting systems from engineering services under 48-month interest-free instalment sales contracts entered with customers, the Group's estimation of recoverability is with reference to the expected drop-out rate of the residential communities managed by the Group. Considering if a residential community has terminated the property management agreement with the Group, the directors considered the relevant trade receivables invoice to be issued in relation to the installation work of energy-saving lighting system may be uncollectible, and impairment allowance is provided accordingly.

Movement in the allowance for doubtful debts

	2014	2013
	RMB'000	*RMB'000*
Balance at the beginning of the year	**1,041**	–
Impairment losses recognised on receivables	**5,577**	1,200
Amounts written off as uncollectible	**(998)**	(159)
Balance at the end of the year	**5,620**	1,041

Included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of RMB5,620,000 (2013: RMB1,041,000), with reference to the historical experience of these receivables, the collection of these receivables may not be recoverable. The Group does not held any collateral over these balances.

13. PAYMENTS/RECEIPTS ON BEHALF OF RESIDENTS

	2014	2013
	RMB'000	*RMB'000*
Receivables	**86,214**	43,966
Payables	**(72,745)**	(96,804)

The balances represent the current accounts with the property management offices of residential communities managed by the Group under the terms of commission basis. These management offices of residential communities usually have no separate bank accounts because these property management offices have no separate legal identity. For the daily management of these property management offices of the residential communities, all transactions of these management offices, including the collection of property management fees and the settlement of daily expenditures, were settled through the treasury function of the group entities. A net receivable balance from the property management office of the residential community represents expenditures paid by the Group on behalf of the residential community in excess of the property management fees collected from the residents of that residential community. A net payable balance to the property management office of the residential community represents property management fee collected from residents of the residential community in excess of the expenditure paid by the Group on behalf of the residential communities.

Movements of allowance for doubtful debts

	2014	2013
	RMB'000	*RMB'000*
At beginning of the year	**12,486**	6,640
Additional allowance for doubtful debts	**5,849**	5,846
At end of the year	**18,335**	12,486

In determining the recoverability of the payments on behalf of residents under commission basis, the management of the Group reviews the cash receipts from residents of respective property management office during each reporting period in order to assess the collectability of payments on behalf of residents under commission basis.

At the end of the reporting period, the Group made specific allowance for payments on behalf of residents which the respective communities terminated or expected to terminate the property management agreement with the Group. Based on the management evaluation of collectability of each receivable, management will provide full allowance on those receivables due from terminated communities as historical experience shown that these receivables from terminated communities may not be recoverable from termination.

In addition, at the end of the reporting period, the Group made allowance for payments on behalf of residents of communities with poor financial performance based on an evaluation of the collectability of the receivables from these management offices. With reference to the historical experience of these receivables, the collection of these receivables may not be fully recoverable. Accordingly, the Group made allowance on these poor financial performance management offices on a collectively basis.

14. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORKS

	2014	2013
	RMB'000	*RMB'000*
Contracts in progress at the end of the reporting period		
Contract costs incurred plus recognised profits less recognised losses	**139,342**	133,956
Less: progress billing	**(106,424)**	(92,848)
	32,918	41,108
Represented by:		
Amounts due from contract customers within 1 year	**41,113**	43,892
Amounts due to contract customers within 1 year	**(8,195)**	(2,784)
	32,918	41,108

Retentions held by customers for contract works for installation contracts was included in trade receivables at 31 December 2014 and 2013. No significant advance was received from customers prior to commencement of contract works at 31 December 2014 and 2013.

15. PLEDGED/RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

The Group's bank balances carry interest at rates which range from 0.35% to 1.5% (2013: 0.5% to 1.5%) per annum.

The restricted bank deposits as at 31 December 2014 amounting to RMB136,323,000 (2013: RMB997,000) were pledged to banks to secure the banking facilities to the Group.

At 31 December 2013, 深圳市布吉供水有限公司 (Shenzhen Buji Water Supplies Co., Ltd or "Shenzhen Buji Water Supplies") had initiated a legal proceeding in Shenzhen Longgang District People's Court (the "Relevant Court") against Shenzhen Colour Life Property Management in relation to a water supply contract. The total amount of claims amounting to RMB10,900,000, which included alleged non-payment of RMB2,600,000 and alleged late payment penalty and interest of RMB8,300,000. The Relevant Court has made a notice to a bank to freeze a bank deposit of RMB997,000 of Shenzhen Colour Life Property Management to secure the payment of the water supply fee to Shenzhen Buji Water Supplies. Up to 31 December 2014, the legal proceeding has been finalised and the bank deposits of RMB997,000 has been released.

16. TRADE PAYABLES

The credit period granted by suppliers to the Group ranges from 30 to 60 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	2014	2013
	RMB'000	*RMB'000*
0–60 days	**17,716**	13,923
61–180 days	**2,310**	2,439
181–365 days	**2,285**	2,806
Over 1 year	**3,664**	1,683
	25,975	20,851

17. AMOUNTS DUE TO FELLOW SUBSIDIARIES, IMMEDIATE HOLDING COMPANY, NON-CONTROLLING SHAREHOLDERS, AN ASSOCIATE AND A JOINT VENTURE

	2014	2013
	RMB'000	*RMB'000*
Amounts due to fellow subsidiaries	**1,777**	36,719
Amount due to immediate holding company	**–**	1,428
Amounts due to non-controlling shareholders		
Current	**5,846**	1,809
Non-current	**1,572**	1,091
	7,418	2,900
Amount due to an associate	**775**	2,387
Amount due to a joint venture	**94**	94

Except for amount due to Mu Xiaoming, a non-controlling shareholder of RMB1,198,000 (2013: RMB1,330,000) which is non-trade in nature, unsecured, bears interest of 8.9% per annum and matures during the year ending 31 December 2020, the above remaining amounts due to the above related parties are non-trade in nature, unsecured, interest-free and repayable on demand.

18. BORROWINGS

	2014	2013
	RMB'000	*RMB'000*
Secured bank loans	**127,730**	–
Unsecured bank loan	**215**	377
	127,945	377
Variable-rate borrowing	**79,000**	–
Fixed-rate borrowing	**48,945**	377
	127,945	377
Carrying amount repayable:		
Within one year	**127,927**	162
More than one year, but not exceeding two years	**18**	197
More than two years, but not more than five years	**–**	18
	127,945	377
Less: Amounts due within one year shown under current liabilities	**(127,927)**	(162)
Amount shown under non-current liabilities	**18**	215

The amounts due are based on scheduled repayment dates set out in the relevant loan agreements. All bank borrowings are denominated in RMB.

The ranges of effective interest rates and the contracted interest rates) on the Group's borrowings are as follows:

	2014	2013
	RMB'000	*RMB'000*
Variable-rate borrowings		
Benchmark Rate	**+0.45% to +1.07%**	N/A
Fixed-rate borrowings		
Effective interest rate	**4.5%**	11.0%

19. REDEEMABLE SHARES

On 29 May 2013, the Company, China Bowen Capital Management Limited ("China Bowen"), Fantasia Holdings and Splendid Fortune Enterprise Limited ("Splendid Fortune") entered into a subscription agreement ("China Bowen Subscription Agreement"), pursuant to which the Company agreed to issue and allot to China Bowen, and China Bowen agreed to subscribe for an aggregate of 13,752 ordinary shares (the "China Bowen Subscription Shares") with a total subscription price of HK$7,762,400 (equivalent to US$1,000,000 or RMB6,177,000).

The Company has granted an option (the "Put Option") to China Bowen that in the event that an initial public offering does not complete on or before 4 June 2015 (or such later date as the Company and China Bowen may agree in writing) ("Put Option Completion Date"), China Bowen may, for a period of 30 days thereafter, by notice in writing to the Company, require the Company to purchase all the China Bowen Subscription Shares then held by China Bowen at the amount equal to the sum of the subscription amount by China Bowen plus a return calculated at the rate of 12% per annum minus any dividends or distribution and any amounts in relation to the transfer or disposal of such China Bowen Subscription Shares, received by China Bowen in relation to the China Bowen Subscription Shares.

The Company has presented the above subscription with the Put Option as a financial liability redeemable shares as at 31 December 2013. If the Company completes a qualifying initial public offering on or before 4 June 2015, the China Bowen Subscription Shares will be reclassified to share capital of the Company and the difference between par value of China Bowen Subscription Shares and the then carrying amount of the redeemable shares would be included in the share premium of the Company.

The effective rate of the redeemable shares is 12% per annum, during the year ended 31 December 2014, finance cost amounting of RMB218,000 (2013: RMB437,000) was charged to profit or loss.

On 11 June 2014, pursuant to the written resolutions passed by all shareholders of the Company, the directors of the Company were authorised to capitalise the redeemable shares amounting to HK$494,000 (equivalent to RMB393,000) by applying such sum in paying up in full at par 4,936,543 ordinary shares of HK$0.1 each. The total number of ordinary shares held as redeemable shares after the capitalisation issue on 11 June 2014 were 4,950,295.

The redeemable shares amounting to RMB6,832,000 were transferred to share capital of RMB393,000 and share premium of RMB6,439,000 respectively, upon the listing of the shares of the Company on the SEHK on 30 June 2014.

20. SHARE CAPITAL

	Notes	Number of shares	Amount HK$'000
Ordinary shares of HK$0.1 each			
Authorised			
At 1 January 2013, 31 December 2013		3,800,000	380
Increase on 11 June 2014	*(a)*	49,996,200,000	4,999,620
At 31 December 2014		**50,000,000,000**	**5,000,000**
Issued and fully paid			
At 1 January 2013		20,000	2
Issue of new shares		69,760	7
Capitalisation issue	*(b)*	1,980,000	198
At 31 December 2013		2,069,760	207
Issue of new shares upon initial public offering	*(c)*	250,000,000	25,000
Capitalisation issue	*(d)*	742,979,945	74,298
Transfer from redeemable shares *(note 19)*		4,950,295	495
At 31 December 2014		**1,000,000,000**	**100,000**

	Amount RMB'000
Equivalent to RMB'000	
At 31 December 2013	164
At 31 December 2014	**79,315**

Notes:

a. On 11 June 2014, the authorised share capital of the Company increased from HK$380,000 to HK$5,000,000,000 by the creation of an additional 49,996,200,000 shares.

b In May 2013, 1,386,000 and 594,000 shares of HK$0.10 each of the Company were issued and allotted to Fantasia Holdings and Splendid Fortune respectively for a total consideration of HK$198,000 (approximately to RMB156,000). The amount standing to the credit of the distributable reserves account of the Company in the sum of HK$198,000 (approximately to RMB156,000) was capitalised and applied in paying up in full the 1,386,000 shares and 594,000 shares. Upon completion of such issue and allotment, Fantasia Holdings and Splendid Fortune held 1,400,000 shares and 600,000 shares, respectively.

c. On 30 June 2014, 250,000,000 ordinary shares of HK$0.1 each of the Company were issued at a price of HK$3.78 by way of initial public offering. On the same date, the Company's shares were listed on the SEHK. The proceeds of HK$25,000,000 (equivalent to RMB19,829,000) representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK$920,000,000 (equivalent to RMB729,698,000), before issuing expenses, were credited to share premium account.

d. Pursuant to the written resolutions passed by all shareholders of the Company dated 11 June 2014, the directors of the Company were authorised to capitalise HK$74,297,995 (equivalent to RMB58,929,000) standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 742,979,945 ordinary shares of HK$0.1 each of the Company for allotment and issue to the shareholders of the Company on the register of members of the Company as at the close of business on 11 June 2014 in proportion to their then existing respective shareholdings in the Company, conditional on the share premium account of the Company being credited as a result of the issue of shares by the Company pursuant to the global offering. The Company's initial public offering was completed on 30 June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Business Overview

The spin-off and separate listing of the Company on the Main Board of SEHK was successfully completed on 30 June 2014. After deducting the listing expenses, a total net proceed of approximately RMB710 million was raised on the first day of the listing.

The Group is one of the leading property management companies in the PRC and was named as China's Largest Community Services Operator in terms of the number of residential units managed as at 31 December 2013 by China Index Academy in 2014; based on the area of residential communities which the Group was contracted to manage as at 31 December 2013, the Group was named as the 2014 No.1 of China property management in terms of total area of residential properties by China Index Academy in 2014. The Group has three main business segments:

- property management services, which primarily include: (i) services such as security, cleaning, gardening, repair and maintenance provided to residential communities, which include mixed-use properties containing residential units and ancillary facilities that are non-residential in nature, (ii) pre-sale services provided to property developers, including cleaning, security and maintenance of the pre-sale display units; and (iii) consultancy services provided for regional property companies, such as standardised operation, cost control and consultation;

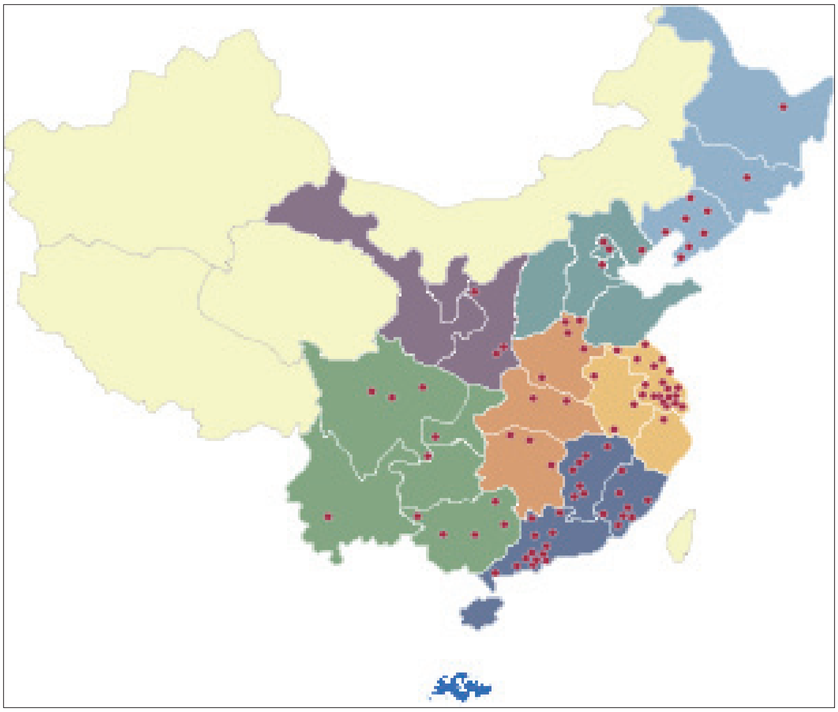
- engineering services, which primarily include: (i) equipment installation services, (ii) repair and maintenance services, and (iii) automation and other equipment upgrade services through the Group's equipment leasing program; and

- community leasing, sales and other services, which primarily include: (i) common area rental assistance, (ii) purchase assistance, and (iii) residential and retail units rental and sales assistance.

Property Management Services

Geographical Presence

As at 31 December 2014, the cities in which residential communities the Group managed or provided consultancy services to were as follow:



Southern China
1. Shenzhen
2. Dongguan
3. Foshan
4. Fuzhou
5. Ganzhou
6. Guangzhou
7. Heyuan
8. Huizhou
9. Jingdezhen
10. Nanchang
11. Nankang
12. Putian
13. Qingyuan
14. Shangrao
15. Yangjiang
16. Yichun
17. Yingtan
18. Zhongshan
19. Zhuhai
20. Xiamen
21. Shaoguan
22. Heshan
23. Nan'an
24. Quanzhou
25. Sanming
26. Zhangzhou
27. Huangmei
28. Nanxiong
29. Longyan
30. Jiujiang
31. Maoming
32. Nanping
33. Xinyu
34. Zhaoqing
35. Haikou

Eastern China
36. Changzhou
37. Dongtai
38. Gaoyou
39. Huai'an
40. Jiangyin
41. Jurong
42. Lianyungang
43. Nanjing
44. Nantong
45. Shanghai
46. Suzhou
47. Wuxi
48. Wuhu
49. Xinghua
50. Yancheng
51. Yangzhou
52. Yixing
53. Changshu
54. Kunshan
55. Xuzhou
56. Hangzhou
57. Chuzhou
58. Huzhou
59. Fuyang
60. Jiaxing
61. Linyi
62. Taizhou
63. Yantai
64. Zhenjiang
65. Zibo

Southwestern China
66. Chengdu
67. Liuzhou
68. Dali
69. Guilin
70. Nanning
71. Zigong
72. Chongzuo
73. Baise
74. Guigang
75. Zunyi
76. Guiyang
77. Fangchenggang

Northeastern China
78. Gaizhou
79. Harbin
80. Huludao
81. Shenyang
82. Shuangyashan
83. Tieling
84. Yingkou
85. Diaobingshan
86. Benxi
87. Changchun
88. Panjin

Northwestern China
89. Xi'an
90. Yinchuan
91. Lanzhou

Northern China
92. Beijing
93. Qinhuangdao
94. Tianjin

Central China
95. Changsha
96. Xinxiang
97. Yiyang
98. Zhengzhou
99. Wuhan
100. Chenzhou
101. Kaifeng
102. Anyang
103. Xiangyang
104. Jingmen
105. Puyang
106. Yichang
107. Yueyang
108. Zhangjiajie
109. Zhuzhou

Oversea
110. Singapore

The Group's total contracted gross floor area ("GFA") had grown continuously during the year 2014. The table below sets forth the total contracted GFA and the number of residential communities and pure commercial properties the Group managed or provided consultancy services to in different regions in the PRC as at the dates indicated below:

	As at 31 December							
	2014				2013			
	Managed by the Group		**Under the Group's consultancy service arrangements**		Managed by the Group		Under the Group's consultancy service arrangements	
	Total Contracted GFA *('000 sq.m.)*	**Number**	**Total Contracted GFA** *('000 sq.m.)*	**Number**	Total Contracted GFA *('000 sq.m.)*	Number	Total Contracted GFA *('000 sq.m.)*	Number
Shenzhen	**4,780**	**102**	**720**	**18**	4,715	99	749	19
Southern China (excluding Shenzhen)(1)	**34,914**	**194**	**13,386**	**113**	18,087	111	6,017	41
Eastern China(2)	**38,777**	**230**	**40,011**	**228**	17,147	128	13,908	64
Southwestern China(3)	**17,701**	**60**	**3,488**	**34**	8,492	45	3,253	27
Northeastern China(4)	**5,068**	**33**	**4,015**	**26**	1,995	12	2,200	4
Northwestern China(5)	**10,869**	**53**	**76**	**1**	5,456	17	–	–
Northern China(6)	**8,807**	**17**	**2,522**	**20**	6,745	20	946	10
Central China(7)	**15,545**	**78**	**3,868**	**29**	648	4	1,175	14
Singapore	**703**	**29**	**–**	**–**	–	–	–	–
Subtotal	**137,164**	**796**	**68,086**	**469**	63,285	436	28,248	179
Pure commercial properties	**–**	**–**	**–**	**–**	697	14	42	1
Total	**137,164**	**796**	**68,086**	**469**	63,982	450	28,290	180

Notes:

(1) Including Dongguan, Xiamen, Shaoguan, Heshan, Nan'an, Quanzhou, Sanming, Zhangzhou, Huangmei, Nanxiong, Longyan, Foshan, Fuzhou, Ganzhou, Guangzhou, Heyuan, Huizhou, Jingdezhen, Nanchang, Nankang, Putian, Qingyuan, Shangrao, Yangjiang, Yichun, Yingtan, Zhongshan, Zhuhai, Jiujiang, Maoming, Nanping, Xinyu, Zhaoqing and Haikou as at 31 December 2014.

(2) Including Changshu, Kunshan, Xuzhou, Hangzhou, Chuzhou, Changzhou, Dongtai, Gaoyou, Huai'an, Jiangyin, Jurong, Lianyungang, Nanjing, Nantong, Shanghai, Suzhou, Wuxi, Wuhu, Xinghua, Yancheng, Yangzhou, Yixing, Huzhou, Fuyang, Jiaxing, Linyi, Taizhou, Yantai, Zhenjiang and Zibo as at 31 December 2014.

(3) Including Chengdu, Dali, Guilin, Nanning, Zigong, Liuzhou, Baise, Chongzuo, Guigang, Guiyang, Zunyi, and Fangchenggang as at 31 December 2014.

(4) Including Gaizhou, Harbin, Huludao, Shenyang, Shuangyashan, Diaobingshan, Changchun, Benxi, Tieling, Yingkou and Panjin as at 31 December 2014.

(5) Including Lanzhou, Yinchuan and Xi'an as at 31 December 2014.

(6) Including Beijing, Qinhuangdao and Tianjin as at 31 December 2014.

(7) Including Wuhan, Xiangyang, Jingmen, Anyang, Kaifeng, Chenzhou ,Changsha, Xinxiang, Yiyang, Zhengzhou, Puyang, Yichang, Yueyang, Zhangjiajie and Zhuzhou as at 31 December 2014.

As at 31 December 2014, the Group had grown its coverage to 109 cities in the PRC and one city outside the PRC where the Group was contracted to manage 796 residential communities with an aggregate contracted GFA of approximately 137.2 million sq.m. and entered into consultancy services contracts with 469 residential communities with an aggregate contracted GFA of approximately 68.1 million sq.m.. The Group will continue to expand its business through obtaining new service engagements and acquisitions of other property management companies. The table below sets forth the movement of the total contracted GFA and the number of residential communities the Group managed or provided consultancy services to during the year 2014:

	As at 31 December							
	2014				2013			
	Managed by the Group		**Under the Group's consultancy service arrangements**		Managed by the Group		Under the Group's consultancy service arrangements	
	Total Contracted GFA *('000 sq.m.)*	**Number of residential communities**	**Total Contracted GFA** *('000 sq.m.)*	**Number of residential communities**	Total Contracted GFA *('000 sq.m.)*	Number of residential communities	Total Contracted GFA *('000 sq.m.)*	Number of residential communities
As at the beginning of the year	**63,285**	**436**	**28,248**	**179**	32,337	278	1,691	23
New engagements[(1)]	**42,866**	**136**	**46,450**	**338**	21,369	80	26,557	156
Acquisitions	**32,870**	**241**	**–**	**–**	11,985	100	–	–
Transfer from consultancy service to self-management[(2)]	**2,069**	**15**	**(2,069)**	**(15)**	–	–	–	–
Terminations[(3)]	**(3,926)**	**(32)**	**(4,543)**	**(33)**	(2,406)	(22)	–	–
As at the end of the year	**137,164**	**796**	**68,086**	**469**	63,285	436	28,248	179

Notes:

(1) In relation to residential communities the Group managed, new engagements primarily include service engagements for new property developments constructed by property developers and to a much lesser extent, service engagements for residential communities replacing their previous property management companies. In relation to residential communities the Group provided consultancy services to, new engagements include the Group's entering into of consultancy services agreements with regional property management companies.

(2) For the year ended 31 December 2014, the Group managed to acquire one of the property management companies to which it provided consultancy service previously, resulting in the relevant residential communities under the Group's consultancy service arrangements transferred into those the Group managed.

(3) Including the contracted GFA and the number of residential communities which the Group ceased to manage primarily due to non-renewal of certain property management contracts for commercial reasons.

Nature of the Property Developers

The properties that the Group manages or provides with consultancy services are predominantly constructed by independent property developers other than Fantasia Holdings Group Co., Limited ("Fantasia Holdings") and its subsidiaries (collectively, the "Fantasia Group"), the controlling shareholder of the Group. The table below sets forth a breakdown of the contracted GFA and the number of properties the Group managed or provided with consultancy services which were developed by independent property developers and Fantasia Group as at the dates indicated below:

	As at 31 December							
	2014				2013			
	Total Contracted GFA *('000 sq.m.)*	**% of total Contracted GFA**	**Number of properties**	**% of total number of properties**	Total Contracted GFA *('000 sq.m.)*	% of total Contracted GFA	Number of properties	% of total number of properties
Properties constructed by independent property developers other than the Fantasia Group	**197,271**	**96.1%**	**1,233**	**97.5%**	84,772	91.9%	598	94.9%
Properties constructed by the Fantasia Group	**7,979**	**3.9%**	**32**	**2.5%**	7,500	8.1%	32	5.1%
Total	**205,250**	**100.0%**	**1,265**	**100.0%**	92,272	100.0%	630	100.0%

Scope of Services for Property Management Services

The Group focuses on providing: (i) property management services such as security, cleaning, gardening, repair and maintenance provided to residential communities, and (ii) pre-sale services to property developers, including cleaning, security and maintenance of the pre-sale display units.

The property management services the Group provides can be grouped into the following categories:

Security services

The Group endeavors to provide high-quality security services to ensure that the communities it manages are well protected. The Group seeks to enhance the quality of its security services through equipment upgrade. Daily security services provided by the Group include patrolling, access control, visitor handling and emergency handling. The Group may delegate certain security services to third-party sub-contractors.

Cleaning and gardening services

The Group provides general cleaning, pest control and landscape maintenance services to communities managed by it through its own specialised subsidiaries or third-party subcontractors.

Repair and maintenance services

The Group provides repair and maintenance services to certain communities it manages. In particular, the Group is generally responsible for the maintenance of: (i) common area facilities such as lifts, escalators and central air conditioning facilities; (ii) fire and safety facilities such as fire extinguishers and fire alarm system; (iii) security facilities such as entrance gates control and surveillance cameras; and (iv) utility facilities such as electricity generator, water pumps and water tank. The Group provides such services through its specialised subsidiaries or third-party sub-contractors.

Colour Life Property Management Services Model

As at 31 December 2014, the Group employed over 21,000 on-site personnel to provide property management services. The table below sets forth the property management fee range for residential area within the residential communities the Group managed on a commission basis and a lump sum basis as at the dates indicated below. Property management fee levels within the same geographical region vary depending on factors such as property types and locations.

	As at 31 December			
	2014		2013	
	Under commission basis ***(RMB/ sq.m./month)***	**Under lump sum basis** ***(RMB/ sq.m./month)***	Under commission basis *(RMB/ sq.m./month)*	Under lump sum basis *(RMB/ sq.m./month)*
Shenzhen	**0.5–0.8**	**3.5**	0.5–0.8	3.5
Southern China (excluding Shenzhen)[(2)]	**0.6–6**	**–**	0.6–6	–
Eastern China[(3)]	**0.1–2.9**	**1.2**	0.1–2.9	1.2
Southwestern China[(4)]	**0.55–5.68**	**–**	0.55–5.68	–
Northeastern China[(5)]	**0.7–1.5**	**–**	0.7–1.5	–
Northwestern China[(6)]	**0.8–3.95**	**–**	0.8–3.95	–
Northern China[(7)]	**0.4–2.8**	**–**	0.4–2.8	–
Central China[(8)]	**0.5–2.48**	**–**	1.38	–
Singapore	**1.23**	**–**	–	–

Notes:

(1) The Group may have different fee schedules for commercial and office space and carparks.

(2) Including Dongguan, Xiamen, Shaoguan, Heshan, Nan'an, Quanzhou, Sanming, Zhangzhou, Huangmei, Nanxiong, Longyan, Foshan, Fuzhou, Ganzhou, Guangzhou, Heyuan, Huizhou, Jingdezhen, Nanchang, Nankang, Putian, Qingyuan, Shangrao, Yangjiang, Yichun, Yingtan, Zhongshan, Zhuhai, Jiujiang, Maoming, Nanping, Xinyu, Zhaoqing and Haikou as at 31 December 2014.

(3) Including Changshu, Kunshan, Xuzhou, Hangzhou, Chuzhou, Changzhou, Dongtai, Gaoyou, Huai'an, Jiangyin, Jurong, Lianyungang, Nanjing, Nantong, Shanghai, Suzhou, Wuxi, Wuhu, Xinghua, Yancheng, Yangzhou, Yixing, Huzhou, Fuyang, Jiaxing, Linyi, Taizhou, Yantai, Zhenjiang and Zibo as at 31 December 2014.

(4) Including Chengdu, Dali, Guilin, Nanning, Zigong, Liuzhou, Baise, Chongzuo, Guigang, Guiyang, Zunyi, and Fangchenggang as at 31 December 2014.

(5) Including Gaizhou, Harbin, Huludao, Shenyang, Shuangyashan, Diaobingshan, Changchun, Benxi, Tieling, Yingkou and Panjin as at 31 December 2014.

(6) Including Lanzhou, Yinchuan and Xi'an as at 31 December 2014.

(7) Including Beijing, Qinhuangdao and Tianjin as at 31 December 2014.

(8) Including Wuhan, Xiangyang, Jingmen, Anyang, Kaifeng, Chenzhou ,Changsha, Xinxiang, Yiyang, Zhengzhou, Puyang, Yichang, Yueyang, Zhangjiajie and Zhuzhou as at 31 December 2014.

During the year 2014, the labour cost of the property services industry continued to increase. In order to tackle the challenges posted by such increase and further enhance the efficiency of the property management services, the Group has implemented the information-technology-based automation and equipment upgrade in some of the projects under its management. At the same time, the Group also launched its Caizhiyun website and its same mobile application with the aim to provide convenience in remittance of fees, requesting repair and maintenance services and submitting complaints on services which strengthened the interactions and communications between the Group and property owners of residential communities. The Group believes that this will further boost its capability in catering to demands for community services in an era of mobile network, facilitate replication of its management model applicable to communities, and seamlessly integrate its online and offline businesses, provide strong assurance to its centralised business model of and the quality of its property management service, thereby further sharpening its competitive edge in property management.

In 2015, the Group will continue to focus on improving quality property management, further upgrading the property management model in the communities under its management, launching more contents which facilitate interaction between residents on its online platform and thereby strengthening the branding effect of Colour Life community service platform. The Group will further enhance its strategic plan of nationwide deployment, enabling better economy of scale of the online and offline community service platforms. The Group will also continue to build up and enhance its capability in integrating resources in the commercial circles surrounding its communities, attracting more vendors to provide more goods and services via the Caizhiyun platform to the residents in the communities under its management, thereby strengthening customer cohesion in its service platform and developing the Group as a leading operator of community service platforms.

Consultancy Services

With a view to expanding the Group's presence, showcasing its services and abilities to a wider audience, making its brand more widely known and expanding the customer base for its community leasing, sales and other services, the Group has selectively entered into consultancy services contracts with regional property management companies.

Under such arrangements, the property management companies are contracted to provide property management services at the relevant communities, and the Group provides consultation and advice to these regional property management companies such that they can leverage the Group's experience and platform to improve the standard of their own operations and control their operational costs in their service provision. In addition, the Group provides community leasing, sales and other services at the relevant communities in accordance with the contracts, which in the future may generate additional revenue for the Group.

As at 31 December 2014, the Group was contracted to provide consultancy services to 469 residential communities in the PRC. For the year ended 31 December 2014, income generated from the Group's consultancy services was RMB53.5 million (2013: RMB0.5 million), or 13.7% of its total revenue for the year 2014 (2013: 0.2%). The gross profit margin for consultancy services was 100%.

The relevant contracts typically have terms of at least two years. The Group provides consultation and advice to these regional property management companies on various aspects of their operations, such as property management, engineering, quality control and human resources management. In addition, the Group can provide community leasing, sales and other services at the relevant communities under its own brand name in accordance with the contracts.

Engineering Services

The Group provides engineering services to property developers (including primarily independent property developers and to a lessor extent the Fantasia Group) and the communities the Group manages through sub-contracting and collaboration with qualified third-party contractors and through its wholly-owned subsidiary, Shenzhen Kaiyuan Tongji Building Technology Co., Ltd. ("Shenzhen Kaiyuan Tongji"), which specialises in engineering services. The Group's engineering services primarily include (i) equipment installation services (consisting of automation and other hardware equipment installation services and energy-saving equipment installation services), (ii) repair and maintenance services and (iii) automation and other equipment upgrade services through the Group's equipment leasing program.

Automation and other hardware equipment installation services

In order to enhance the management efficiency in relevant communities and in turn to achieve the purpose of reducing the service costs of property management, the Group is committed to provide installation of automation equipments for residential communities.

The Group provides automation and other hardware equipment installation services to property developers, in accordance with their requirements, aiming to diversify the Group's revenue sources and develop business relationships with property developers which have engaged the Group or may subsequently engage the Group to provide property management services when the property developments are delivered. Such services generally involve the procurement, design and installation of devices such as security monitoring systems, intercommunication devices, alarms, key card security systems and power supplies system.

The Group assists residential communities it manages or provides services to in realising energy savings by replacing their existing hardware with energy-saving equipment, such as LED lights, motion-sensor lights and energy efficient elevators.

Community utility facilities repair and maintenance services

The Group provides repair and maintenance services on various building hardware such as elevators, fire protection equipment and drainage systems in residential communities. With the further deepening of Colour Life management model of the Group, the Group has promoted an equipment management model to reduce the occurrence of major failures of the abovementioned hardware and equipment that requires large-scale repairs through periodically conducting regular maintenance in communities it manages. As at 31 December 2014, the Group was engaged to provide repair and maintenance services to 801 residential communities it manages or provides with consultancy services.

Community automation equipment leasing services

The Group provides automation and other equipment upgrade services to residential communities it manages or provides consultancy services to. These equipment include carpark security systems, building access systems and remote surveillance cameras. These equipment were invested by Shenzhen Kaiyuan Tongji and provided for the use of each residential community through the Group's equipment leasing program. As at 31 December 2014, the Group had completed automation and other equipment upgrades at approximately 410 residential communities.

Community Leasing, Sales and Other Services

Leveraging the Group's understanding of the demands of residents living at the residential communities it manages or provides with consultancy services, the Group has strategically focused on developing a service platform for its community leasing, sales and other services through which residents can connect with local vendors for community leasing, sales and other services.

Currently, the Group primarily offers community leasing, sales and other services through an offline service platform. Residents may place orders directly through the Group's on-site management offices or its toll free service hotline. In addition, residents living at the residential communities to which the Group provides online purchase assistance through the Company's website may place orders online. The Group started rolling out its online purchase assistance platform at the end of 2012 and operated the online service platform through the Company's website.

The Group's community leasing, sales and other services primarily include (i) common area rental assistance, (ii) purchase assistance, and (iii) residential and retail units rental and sales assistance.

Common area rental assistance

Physical advertising spaces in a residential community, such as those on elevator walls or in common spaces, are the properties of the property developer or property owners. The Group assists them to lease out such spaces and receive a commission in return. The Group also provides such services with regard to extra space at a residential community, which is rented out as storage space.

Purchase assistance

Depending on the product or service types, residents may place orders at the Group's on-site management offices, through a toll free service hotline, or through the Company's website that covered 792 residential communities as at 31 December 2014. Typically, for purchases of rice, bottled water and cooking oil, residents place orders at the Group's on-site management office or through its toll free service hotline. The Group's on-site management offices maintain a level of inventory of bottled water to meet residents' immediate needs. Based on the Group's orders, the bottled water, cooking oil and rice suppliers will make deliveries to the residential communities the Group manages or provides consultancy services to. The payments are normally settled upon delivery and the Group either receives a percentage of the sales price or a fixed fee as referral fees from the suppliers. In addition, the Group also purchases and maintains its own inventory of fruits, which the Group sells to the residents living in the communities.

Residential and retail units rental and sales assistance

When a property owner seeks rental assistance from the Group, the Group refers the case to an independent third-party property agent, who rents the unit from the property owner as the primary tenant for a fixed term, and sub-leases the unit to an appropriate tenant either at a premium or for rent for the period that covers the rent-free period enjoyed by the primary tenant.

Community operational platform business

With the growth of the total contracted GFA as well as the number of residential communities the Group manages or provides with consultancy services, the Group sees potential demand for local products and services among its large number of residents and property owners. These residents and property owners traditionally rely on sifting through a large amount of information primarily through offline channels to find relevant offerings.

Financial Review

Revenue

The Group's revenue mainly arises from (i) property management services, (ii) engineering services, (iii) community leasing, sales and other services. For the year ended 31 December 2014, the total revenue increased by 67.0% to approximately RMB389.3 million from RMB233.1 million for the year ended 31 December 2013.

The increase in revenue was primarily driven by (i) an increase in the total revenue-bearing GFA and (ii) an increase in the amount of community leasing, sales and other services the Group delivered.

– *Property Management Services*

For the year ended 31 December 2014, revenue from property management services increased by 72.7% from RMB136.8 for the year 2013 to RMB236.3 million. Breakdown of revenue from property management services are as below:

	For the year ended 31 December				**Variance**	
	2014		2013		FY 2014 VS FY 2013	
Revenue	***RMB'000***	***% of Total Revenue***	*RMB'000*	*% of Total Revenue*	*RMB'000*	*%*
Commission basis	**121,488**	**31.2%**	64,494	27.7%	56,994	88.4%
Lump sum basis	**30,236**	**7.8%**	34,744	14.9%	(4,508)	–13.0%
Pre-sale services	**31,069**	**8.0%**	37,037	15.9%	(5,968)	–16.1%
Consulting Fees	**53,512**	**13.7%**	528	0.2%	52,984	10,034.8%
	236,305	**60.7%**	136,803	58.7%	99,502	72.7%

Such increase was primarily attributable to:

(a) An increase in revenue of RMB57.0 million from service fees charged under commission basis which in turn was driven by the growing revenue-bearing GFA. As at 31 December 2014, the revenue-bearing GFA under commission basis increased by 54.7 million sq.m., or 102.6%, from 53.3 million sq.m. as at the same date in 2013 to 108.0 million sq.m.;

(b) An increase in revenue of RMB53.0 million from fees charged under consultancy services contracts as driven by the growing revenue-bearing GFA and also the better unit price charged given the effects of implementation of Colour Life property management service model started to indicate in these target companies who subscribed to the Group's consultancy services. As at 31 December 2014, the revenue-bearing GFA under consultancy services contracts increased by 49.8 million sq.m., or 682.2%, from 7.3 million sq.m. as at 31 December 2013 to 57.1 million sq.m.;

(c) A decrease in revenue of RMB6.0 million from services fee charged for rendering pre-sale related services for the year ended 31 December 2014 as compared to that charged for the year ended 31 December 2013;

(d) A decrease in the revenue of approximately RMB4.5 million under lump sum basis due to cessation of services provided to the several pure commercial buildings in accordance with the deed of non-competition entered into by the Company's controlling shareholder in the second half of year 2014.

Due to the facts discussed above, revenue from property management service for the year ended 31 December 2014 accounted for 60.7% of the Group's total revenue, representing an increase of 2.0% as compared to that of 58.7% for the year ended 31 December 2013.

– *Engineering Services*

For the year ended 31 December 2014, revenue from engineering service increased by 69.8% from RMB51.6 million for the year ended 31 December 2013 to RMB87.7 million. Breakdown of revenue from engineering services are as below:

	For the year ended 31 December				**Variance**	
	2014		2013		FY 2014 VS FY 2013	
Revenue	***RMB'000***	***% of Total Revenue***	*RMB'000*	*% of Total Revenue*	*RMB'000*	*%*
Equipment installation	**18,992**	**4.9%**	34,206	14.7%	(15,214)	–44.5%
Repair and maintenance services	**57,099**	**14.7%**	14,788	6.3%	42,311	286.1%
Equipment leasing	**11,574**	**3.0%**	2,629	1.1%	8,945	340.2%
	87,665	**22.5%**	51,623	22.1%	36,042	69.8%

The growth in revenue from engineering services was primarily attributable to:

(a) The growth in community repair and maintenance service income which increased by 286.1% to RMB57.1 million for the year ended 31 December 2014 from RMB14.8 million for the year ended 31 December 2013, which was driven by the growing revenue-bearing GFA in line with the roll out of the Colour Life services property management model;

(b) An increase in the revenue of RMB8.9 million charged for the community equipment leasing income in the the year 2014 in line with the Group's community equipment upgrade program;

(c) A decrease in equipment installation service income of 44.5% to RMB19.0 million for the year ended 31 December 2014 from RMB34.2 million for the year ended 31 December 2013, as consistent with the Group's strategy in gradually phasing out this assets heavy business.

– *Community Leasing, Sales and Other Services*

For the year ended 31 December 2014, community leasing, sales and other services income increased by 46.3% from RMB44.6 million for the year ended 31 December 2013 to RMB65.3 million.

Breakdown of revenue from value-added services are as below:

	For the year ended 31 December				**Variance**	
	2014		2013		FY 2014 VS FY 2013	
Revenue	***RMB'000***	***% of Total Revenue***	*RMB'000*	*% of Total Revenue*	*RMB'000*	*%*
Common area rental assistance	**23,307**	**6.0%**	14,578	6.3%	8,729	59.9%
Software usage fees	**21,081**	**5.4%**	5,626	2.4%	15,455	274.7%
Purchase assistance	**11,714**	**3.0%**	13,928	6.0%	(2,214)	–15.9%
Residential and retail units rental and sales assistance	**9,215**	**2.4%**	9,166	3.9%	49	0.5%
Cleaning	**–**	**0.0%**	1,345	0.6%	(1,345)	–100.0%
	65,317	**16.8%**	44,643	19.2%	20,674	46.3%
TOTAL REVENUE	**389,287**	**100.0%**	233,069	100.0%	156,218	67.0%

The growth in community leasing, sales and other services was primarily attributable to:

(a) An increase in software usage fees at approximately RMB15.5 million as driven by the Group's growth in the total revenue-bearing GFA, which increased by 274.7% to RMB21.1 million in the year 2014 from RMB5.6 million of that in the year 2013;

(b) An increase in community common area rental assistance commission income of 59.9% to RMB23.3 million in year 2014 from RMB14.6 million for the year 2013;

(c) A decrease in revenue of the purchase assistance service of approximately RMB2.2 million.

Cost of Sales and Services

The Group's cost of sales and services primarily comprises labor costs, sub-contracting costs, costs of raw materials which mainly consist of energy saving light bulbs, intercommunication devices, security camera wires, pipes, and others, utility costs, depreciation and amortisation and others. For the year ended 31 December 2014, cost of sales and services decreased by 11.2% from approximately RMB89.4 million for the year 2013 to approximately RMB79.4 million. The decrease was primarily attributable to the decrease in labor and other costs due to the cessation of the Group's property management services provided to pure commercial buildings in accordance with the deed of non-competition entered into by the Company's controlling shareholder.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2014, the overall gross profit increased by RMB166.3 million from approximately RMB143.6 million for the year 2013 to approximately RMB309.9 million. The increase of gross profit was in line with the growth of revenue in all segments.

The overall gross profit margin increased by 18.0 percentage points to 79.6% in the year 2014 from that of 61.6% in the year 2013. The increase was primarily attributable to the gross profit margin of all business segments which remained at high level and the growth of weight of revenue which had a higher margin rate.

(i) Property Management Services

The gross profit margin of property management service increased by 22.1% from 58.3% to 80.4%, primarily due to the increase in property management service under commission basis and consultancy service, which had a gross profit margin of nearly 100%, resulting in consistent growth in both gross profit and gross profit margin; and the decrease in the proportion of revenue under lump sum basis due to the cessation of services provided to pure commercial buildings.

(ii) Engineering Services

For the year ended 31 December 2014, gross profit margin for engineering services segment increased by 24.0% from approximately 38.8% for the year 2013 to approximately 62.8% for the year 2014. The increase was primarily attributable to (a) the increase in the proportion of repair and maintenance service income which had a higher gross profit margin; (b) the addition of equipment leasing services which had a higher gross profit margin.

(iii) Community Leasing, Sales and Other Services

For the year ended 31 December 2014, gross profit from community leasing, sales and other services segment increased by 47.2% from approximately RMB43.9 million for the year 2013 to approximately RMB64.6 million. Gross profit margin remained at nearly 100%, being 98.9%, representing an increase of 0.5 percentage points as compared to 98.4% for the year 2013.

Other Gains and Losses

The Group's other gains and losses increased by 17.8% from a loss of RMB10.1 million for the year ended 31 December 2013 to a loss of RMB11.9 million for the year ended 31 December 2014. The increase was primarily due to (i) an increase in exchange loss from nil to RMB1.4 million; and (ii) an increase in impairment loss recognised on trade receivables from RMB1.2 million to RMB5.6 million, which the Company believes may not be recovered based on the Company's review of the balances for the Group's property management and engineering services contracts.

Other Income

Other income for the year ended 31 December 2014 was RMB4.2 million, which remained stable as compared to that of the year ended 31 December 2013.

Selling and Distribution Expenses

Selling and distribution expenses for the year ended 31 December 2014 was RMB1.7 million, which remained stable as compared to that of the year ended 31 December 2013.

Administrative Costs

The Group's administrative costs increased by 54.1% from RMB60.3 million for the year ended 31 December 2013 to RMB92.9 million for the year ended 31 December 2014. The Group continues to tighten the cost control measures. The increase in administrative costs was primarily attributable to (i) the grant of share options by the Company on 29 September 2014, which resulted in a charge of an amount of RMB29.8 million administrative costs for the year ended 31 December 2014; (ii) the expansion of the Group's business scale which is in line with our Group's growing GFA more and more back offices function personnel were retained for rendering the centralisation of services like financial accounting and operations; and (iii) increase in the Group's regional administrative costs associated with some of the acquisitions of local property management companies by the Group, for which the original headquarter functions are eliminated or reduced based on the Group's centralised operation model.

Expenses recharged to Residential Communities under Commission Basis

For the year ended 31 December 2014, the Group's expenses recharged to residential communities under commission basis amounted to RMB20.0 million, representing an increase of 15.6% as compared to RMB17.3 million for the year ended 31 December 2013. These increases were primarily attributable to the increase in the cost recovery in line with the growing GFA under the Group's management, the Group's centralised services of financial accounting, human resources, operation, legal services, etc. And therefore the re-charge of such expenses back to the community level increased consistently.

Finance Costs

The Group's finance costs were RMB1.9 million for the year ended 31 December 2014, which have increased by 216.7% as compared to RMB0.6 million for the year ended 31 December 2013, mainly due to the increase in bank borrowings.

Share Options

The Company adopted a share option scheme on 11 June 2014.

On 29 September 2014, the Company granted 45,000,000 share options to its employees and Directors, for which the exercise price is HK$6.66 each. The share option expense charged to the statement of profit or loss for the year ended 31 December 2014 was approximately RMB29.8 million.

Listing Expenses

The Group's listing expenses amounted to RMB16.3 million for the year ended 31 December 2014, which have decreased by 28.8% as compared to RMB22.9 million for the year 2013. These fees primarily consisted of the service charges the Group paid to the professional parties engaged in connection with the preparation for the listing. On 30 June 2014, the Company completed the initial public offering and the shares of the Company were duly listed on the Main Board of SEHK for trading.

Changes in Fair Value of Investment Properties

The Group's changes in fair value of investment properties increased 850.0% to a gain of RMB1.9 million in 2014 from a gain of RMB0.2 million in 2013, which was primarily due to the growth in market value of the respective investment properties which was reassessed at the end of each year.

Income Tax Expenses

The Group's income tax expenses increased by 140.4% to approximately RMB61.3 million in 2014 from approximately RMB25.5 million in 2013. The increase was primarily due to an increase of current tax for EIT by 131.2% from RMB27.6 million in 2013 to RMB63.8 million in 2014.

Adjusted Profit for the Year

Adjusted profit is defined as profit for the year before the costs of the Group's initial public and any other offering and the option program charged to the statement profit or loss. As these cost items are either non-recurring or non-cash spending, the Company believes that separate analysis of the impacts of these cost items adds clarity to the constituent part of the Group's results of operations and provides additional useful information for investors to assess the operating performance of the Group's business. Set forth below is a reconciliation of adjusted profit for the year to the most directly comparable HKFRS measure:

	For the year ended 31 December		**Variance**	
	2014	2013	FY2014 VS FY2013	
	RMB'000	*RMB'000*	*RMB'000*	*%*
Profit for the year under HKFRS	**150,486**	45,468	105,018	231.0%
Add:				
Listing expenses	**16,282**	22,854	(6,572)	(28.8%)
Share option expenses	**29,780**	–	29,780	–
Adjusted profit for the year	**196,548**	68,322	128,226	187.7%

Property, Plant and Equipment

As at 31 December 2014, the carrying value of property, plant and equipment of the Group increased by 187.2% to approximately RMB67.5 million from approximately RMB23.5 million as at 31 December 2013, which was mainly due to (i) the addition of the construction in process of the intelligent system alteration projects, which amounted to approximately RMB37.2 million; (ii) the addition of several sets of office properties, which amounted to approximately RMB8.7 million and (iii) the addition of buildings, which amounted to RMB3.8 million in the year 2014.

Intangible Assets

As at 31 December 2014, the carrying value of intangible assets held by the Group amounted to RMB26.9 million (31 December 2013: RMB0.62 million). The increase of intangible assets mainly attributable to the increase of the property management contracts which the subsidiaries acquired by the Group, which were valued through the application of an income approach. These valuation of the intangible assets had been assessed by Jones Lang LaSalle Sallmanns Limited, with independent assessment reports issued.

Investment Properties

As at 31 December 2014, the investment properties held by the Group amounted to approximately RMB29.8 million (31 December 2013: RMB26.8 million). These investment properties had been assessed by Jones Lang LaSalle Sallmanns Limited, with independent assessment reports issued. The investment properties for the year increased by approximately RMB3.0 million (11.2%) as compared to 2013, which was mainly due to the 16 sets of properties received from developers for deduction of outstanding management fees, as well as the selling of seven sets of originally owned investment properties during the year.

Goodwill

Since 1 January 2014, the Group has acquired 13 property companies, which generated the goodwill of 54.7 million for the year ended 31 December 2014. Based on the impairment assessment conducted by the management of the Company, there was no indication of impairment related to the goodwill, and no impairment provision was required for the year ended 31 December 2014.

Deferred Taxes

As at 31 December 2014, the deferred tax assets that resulted from the amortisation of intangible assets amounted to approximately RMB0.8 million. The Group's deferred tax liabilities that resulted from the amortisation of intangible assets amounted to approximately RMB7.4 million.

Cash and Bank Balances

As at 31 December 2014, the Group's balance of cash and bank increased by 370.2% from approximately RMB146.1 million as at 31 December 2013 to the equivalent of approximately RMB687.0 million. The increase in balance of cash and bank was primarily resulted from the net proceeds raised from the listing of the Company's shares on the Main Board of the SEHK of approximately RMB710 million.

Trade and Other Receivables

Trade receivables mainly include receivables generated by income from property services, income from works, installations and repair services, as well as income from value-added services.

As at 31 December 2014, total trade receivables of the Group amounted to approximately RMB157.5 million, which had increased by approximately RMB100.3 million as compared to approximately RMB57.2 million as at 31 December 2013. The increase was attributable to the significant increase in GFA of properties from which the Group effectively generated income during the year 2014, which resulted in corresponding increases in repair and maintenance fees, consultation fees and software usage fees of communities. The Group has subsequently collected the trade receivables of more than RMB71.7 million.

Trade and other receivables and prepayments increased from approximately RMB48.7 million as at 31 December 2013 to approximately RMB75.1 million as at 31 December 2014, primarily attributable to: (i) an increase in prepayment for suppliers of RMB15.9 million due to the prepayment of equipment upgrade projects, which were widely introduced among residential communities under commission basis and consultancy service; (ii) an increase in payments on behalf of residents of residential communities under consultancy service arrangements of RMB6.9 million due to the addition of 290 communities under consultancy agreements; (iii) an increase in staff borrowings of RMB3.3 million due to the establishment of new regional offices.

Payment/Receipts on Behalf of Residents

Payment/receipts on behalf of residents represent the current accounts with the property management offices of residential communities managed by the Group under the terms of commission basis. These management offices of residential communities usually have no separate bank accounts because these property management offices have no separate legal identity. For the daily management of these property management offices of the residential communities, all transactions of these management offices, including the collection of property management fees and the settlement of daily expenditures, were settled through the treasury function of the group entities. A net receivable balance from the property management office of the residential community represents expenditures paid by the Group on behalf of the residential community in excess of the property management fees collected from the residents of that residential community. A net payable balance to the property management office of the residential community represents property management fee collected from residents of the residential community in excess of the expenditure paid by the Group on behalf of the residential communities.

Increase in balance of payment on behalf of residents and decrease in balance of receipt on behalf of residents are primarily due to the fact that, in line with the growing revenue-bearing GFA under the Group's management, more and more projects newly entered into the Group's management system have difference in timing in between the property management fee collection and project optional cost spending.

Trade and Other Payables

Trade and other payables primarily comprise items such as payables to sub-contractors of the Group's engineering services, receipts on behalf of residents for residential communities under consultancy services arrangement, deposits received, accrued staff costs and other tax payable, the specific analysis of which is as follows:

(1) trade payables increased from approximately RMB20.9 million as at 31 December 2013 to approximately RMB26.0 million as at 31 December 2014. This was primarily due to growth of the Group's property management services business, and offset by the decrease in amount of automation and other hardware equipment installation services transactions during 2014.

(2) other payables and accruals increased from approximately RMB93.4 million as at 31 December 2013 to approximately RMB176.3 million as at 31 December 2014, primarily attributable to:

   (i) an increase of RMB22.3 million in receipts on behalf of residents for residential communities under consultancy services arrangement because of increased number of communities to which the Group provided consultancy services;

   (ii) an increase of RMB27.5 million in consideration payable for acquisition of subsidiaries due to increased acquisition activities in 2014;

   (iii) an increase of RMB10.1 million in other tax payable due to the Group's increase in business scale; the outstanding tax payables increased from RMB13.1 million as at 31 December 2013 to RMB23.2 million as at 31 December 2014;

   (iv) an increase of RMB7.3 million in accrued staff costs due to increase in number of employees with acquisition of new subsidiaries;

   (v) an increase of RMB11.5 million in other payables and accruals such as audit service fee, agency fee and other miscellaneous fee due to business expansion; and

   (vi) the progressive payments of listing expenses made by the Company based on the progress of listing. The outstanding listing expenses for the year amounted to RMB16.0 million, representing a decrease of RMB5.0 million as compared to 31 December 2013.

Paid-In Capital

On 30 June 2014, the Company completed the initial public offering and the shares of the Company were duly listed on the Main Board of the SEHK for trading. An aggregate amount of approximately RMB710 million has been raised as the initial public offering proceeds. Upon completion of the initial public offering, the total number of issued shares of the Company has increased to 1,000,000,000.

Cash Position

As at 31 December 2014, the Group's total cash have increased by 370.2% from RMB146.1 million as at 31 December 2013 to approximately RMB687.0 million. The increase of total cash for the year primarily resulted from the net proceeds raised by the initial public offering amounted to RMB710 million. As at 31 December 2014 and 31 December 2013, the amount of the Group's total cash was significantly larger than the amount of interest bearing borrowings.

The financial position continued to be stable. As at 31 December 2014, the current ratio (current asset/current liabilities) of the Group was 2.4, which was a large increase from the 1.2 as at 31 December 2013. The liquidity and security of the asset significantly increased following the successful listing.

Currency Risk

The Group principally focused on the operation in PRC. Except for the bank deposits denominated in foreign currencies, the Group was not subject to any other material risk directly relating to the foreign exchange fluctuation. For the year ended 31 December 2014, despite the depreciation of RMB against USD and HKD, the Directors expected any fluctuation of the RMB exchange rate would not materially and adversely affect the operations of the Group.

Employees and Remuneration Policies

As at 31 December 2014, excluding the employees for communities under commission basis, the Group had approximately 1,265 employees (31 December 2013: approximately 1,054 employees). Remuneration is determined with reference to the performance, skills, qualifications and experiences of the staff concerned and the prevailing industry practice.

Apart from salary payments, other staff benefits include contribution of the mandatory provident fund (for Hong Kong employees) and state-managed retirement pension scheme (for employees in the PRC) and a discretionary bonus program.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 16 February 2015, the Group announced for the acquisition of Shenzhen Kaiyuan International Property Management Co., Ltd. (深圳市開元國際物業管理有限公司) and its subsidiaries with certain indebtedness from third parties (the "Acquisition") at a cash consideration of approximately RMB330,000,000 (equivalent to approximately HK$410,157,000). As at the date of this announcement, the Acquisition has not been completed.

DIVIDENDS DISTRIBUTION

The Directors recommended the declaration of a final dividend at the rate of HK$9.00 cents per share payable on or before 29 May 2015 to all persons registered as holders of shares of the Company on Thursday, 21 May 2015, subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (the "AGM"). The aggregate amount shall be paid out of the Company's share premium account if sanction by an ordinary resolution passed at the AGM.

ANNUAL GENERAL MEETING

The AGM will be held on 14 May 2015 and a notice convening the AGM will be published and dispatched in the manner as required by the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules") in due course.

CLOSURE OF REGISTER OF MEMBERS

(a) For the purpose of determining the qualification as shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 8 May 2015 to Thursday, 14 May 2015, both days inclusive. In order to qualify as shareholders of the Company to attend and vote at the AGM, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 May 2015.

(b) For the purpose of determining the entitlement to the proposed final dividend (subject to the approval of the shareholders at the AGM), the register of members of the Company will be closed from Wednesday, 20 May 2015 to Thursday, 21 May 2015, both days inclusive. In order to qualify for the entitlement to the proposed final dividend, unregistered holders of shares of the Company are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 May 2015.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain high standards of corporate governance with a view to assuring the conduct of the management of the Company as well as protecting the interests of all shareholders. The Company was listed on the Main Board of the SEHK on 30 June 2014 (the "Listing Date"). The Company has adopted the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules on the SEHK and applied the CG Codes which are applicable to the Company from the Listing Date to 31 December 2014 (the "Relevant Period").

Code provisions A.1.1. and C.3.3 respectively provide that board meetings should be held at least four times a year at approximately quarterly intervals with a majority of directors being present and the Audit Committee must meet, at least twice a year, with the issuer's auditors. As the Company was listed on the SEHK in June 2014, the Company only held two regular board meetings with the presence of the majority of Directors and members of the Audit Committee only met the Company's auditors once during the Relevant Period.

Save for the deviations set out above, the Board is of the view that for the Relevant Period, the Company has complied with all the code provisions as set out in the CG Code.

REVIEW OF ANNUAL RESULTS

The annual results of the Company for the year ended 31 December 2014 had been reviewed by the Audit Committee, which consists of three independent non-executive Directors, namely, Mr. Tam Chun Hung, Anthony, Dr. Liao Jianwen and Mr. Xu Xinmin.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and employees (the "Securities Dealing Code"). The Company had made specific enquiry of all Directors whether they have complied with the required standard set out in the Model Code during the Relevant Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Relevant Period.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the SEHK (www.hkexnews.hk) and the Company (www.colourlife.hk). The annual report of the Company for the year ended 31 December 2014 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

The excellent performance of the Company was really founded on the tremendous support from all sectors and the diligent fulfillment and contribution of all our staff. On behalf of the Board, the Company would like to take this opportunity to express its heartfelt thanks to all shareholders, investors, partners and customers for their trust and support. Following the 18th CPC Central Committee, the economy and society of China has entered into a historical moment when state-owned enterprises face challenges and market opportunities. The Company will adhere to the concept of maintaining a close relationship with customers and developing a light asset based business so as to become a leader in community services sector in three to five years' time and create valuable life to its customers continuously and thoroughly with new ideas. The Company dedicates to maximise the value for its shareholders and investors in creating the best returns.

By Order of the Board
Colour Life Services Group Co., Limited
彩生活服務集團有限公司
TANG Xuebin
Executive Director and Chief Executive Officer

Hong Kong, 2 March 2015

As at the date of this announcement, the Board comprises Mr. TANG Xuebin, Mr. DONG Dong and Mr. ZHOU Qinwei as executive Directors; Mr. PAN Jun, Mr. LAM Kam Tong and Mr. ZENG Liqing as non-executive Directors; and Mr. TAM Chun Hung, Anthony, Dr. LIAO Jianwen and Mr. XU Xinmin as independent non-executive Directors.