



**COLOUR LIFE SERVICES GROUP CO., LIMITED**

**彩生活服務集團有限公司**

(於開曼群島註冊成立的有限公司)

(股份代號：1778)

**Financial and operation highlights:**

- **Outstanding results accomplished with strong financial position**
  - Revenue rose by 121.9% year on year to RMB 3,613.7 million; profit attributable to owners of the Company grew to RMB 485.0 million, representing a year on year growth rate of 51.3% respectively, and the net cash flow from operating activities reached RMB 525.9 million.
  - As at 31 December 2018, bank balance and cash remained abundant at RMB 2,666.9 million. Net gearing ratio was reasonably controlled at 19.1% and the overall financial condition was stable.
  - The Board proposed the payment of a final dividend of HK 18 cents per share, representing about 42.2% dividend payout ratio, for the year ended 31 December 2018.
  
- **Driving growth from user scale and active rate with strategic progress achieved in ecosystem construction**
  - As at 31 December 2018, the number of registered users in ecosystem exceeded 26.4 million, including 14.0 million active users, representing an active rate of 53.0%.
  - The gross merchandise value(“GMV”) of the platform increased by 24.1% to RMB 9,448.0 million, and the accumulated sales of products of “Colour Life Parking Lots” amounted to 4,150 sets, jointly driving the revenue from value-added services increased to RMB 408.4 million with a year on year growth rate of 47.5%. The gross profit of it represented an increase of 72.3% compared to the last year, gross profit margin stay at a high of 95.7% as well. The profit quality improved significantly. The contribution to profit was RMB 309.2 million with a year on year growth rate of 41.9%, accounting for 33.6%, maintaining a good profit structure.
  - As at 31 December 2018, the ecosystem strategic product called ‘Colour Benefit Life(彩惠人生)’ have launched for 9 months, created a transaction amount of RMB 70.9 million through

1,824.6 thousand orders, and returned a total number of RMB 36.2 million property management fees for 260,000 families.

- **Gratifying results in the scale expansion with the platform output strategy steadily advanced**

- Consolidated the “Wanxiangmei” smoothly and achieve organic growth in high speed through the newly engagement. The newly engaged management area reached 74.3 million sq.m in 2018.
- As at 31 December 2018, the Group extended its total contracted GFA coverage to 268 cities in China, provided services to 2,709 communities with an aggregate contracted GFA of approximately 553.7 mm sq.m, achieved rapid expansion of the management scale.
- As at 31 December 2018, the Group has cooperated with 95 property management enterprises under the guidance of the platform output strategy, and the area covered by the cooperation and alliance reached 568.6 million square meters with amassing a total platform services area of 1,122.3 mm sq.m, further consolidating and tapping the user scale advantage.

(Hong Kong, 28March 2019) Colour Life Services Group Co., Limited (“Colour Life” or the “Company”, which together with its subsidiaries, is referred to as the “Group”, HKEx stock code: 1778), the world’s largest community services platform, was pleased to announce its audited annual result (the “Period”) .

### **Driving growth from user scale and active rate with sustained and rapid development in value-added services**

As at 31 December 2018, benefiting from the expansion of light application ports such as WeChat, the number of registered users in ecosystem exceeded 26.4 million, including 14.0 million active users, representing an active rate of 53.0%. The gross merchandise value (“GMV”) of the platform increased by 24.1% to RMB 9,448.0 million, driving the revenue from value-added services increased to RMB 408.4 million with a year on year growth rate of 47.5%. At the same time, the gross profit of value-added services grew with a high speed of 72.3%, and the gross profit margin of it represented an increase of 13.7 percentage points to a high of 95.7%. Earning quality maintains a leading position in the industry.

There are three core products driving the development of the Group's value-added services, namely, "Colour Benefit Life(彩惠人生)", "Colour Wealth Life (彩富人生)" and "Colour Life Parking Lots (彩生活車位)". In the first half of 2018, the platform of "Colour Benefit Life(彩惠人生)" was launched, achieving multi-win for households, suppliers and the Group, which transformed owner's "payment" into owner's "consumption", and creatively realized the improvement and upgrade of the payment relationship between property and owner.

As at 31 December 2018 for nine months, 260 thousand families have traded on the platform of "Colour Benefit Life(彩惠人生)", which created a transaction amount of RMB 70.9 million through 1,824.6 thousand orders, and returned a total number of RMB 36.2 million property management fees.

The cumulative transaction amount of the "Color Wealth Life" value-added plan reached approximately RMB 1,770.1 million in 2018, and the average investment duration increased from 0.47 year to 0.87 year, with revenue contribution reaching 38.4 million; while "Colour Life Parking Lots" sold 4,150 sets during the year of 2018, driving the revenue of sales and rental assistance increased by 175.2% to 146.6 million.

On the other hand, the Group insists on constructing an open ecosystem. By the end of 2018, it has attracted more than 40 ecosystem companies to participate in community service and jointly explore value-added business development based on diverse community scenarios. Among them, e-Lift built the SaaS (Software-as-a-Service) platform covering the whole life cycle of lifts, the number of lifts on e-Lift platform has exceeded 160 thousand units, including over 140 thousand lifts in communities not managed by the Group. Based on its transformation towards platform-based and digitalization, e-Lift cooperated with 9 major insurance companies, jointly introduced insurance products on lift safety services and established the new model of "insurance + operation + services" in the lift industry. Meanwhile, the Group steadily promoted the order-based strategy, with E-Security, E-Repair (including e-Lift), E-Energy, E-Cleaning, E-Gardening, E-Payment and E-Complaint, these seven service sectors gradually landed to realize the platform of basic property management functions, and further enhanced the service efficiency of the Group.

### **Gratifying results in the scale expansion with the platform output strategy steadily advanced**

In 2018, the Group successfully merged Wanxiangmei Property Management Co., Ltd. (hereinafter referred to as "Wanxiangmei", formerly known as Wanda Property Management Co., Ltd.). The

Group can not only expanded the area under management, but also further enriched the portfolio of management projects. Besides the aforementioned merger and acquisition measures, the Group also focused on driving its organic growth through reputation and branding. The newly engaged management area reached 74.3 million sq.m in 2018. During the reporting period, with the outstanding property management experience, the Group established a joint venture with Beijing Indemnificatory Apartment Construction Investment Center (北京市保障性住房建設投資中心) to undertake the new public rental housing/affordable housing projects in Beijing in future.

As at 31 December 2018, the Group extended its total contracted GFA coverage to 268 cities in China, provided services to 2,709 communities with an aggregate contracted GFA of approximately 553.7 mm sq.m, achieved rapid expansion of the management scale.

Different from the "high leverage, heavy assets" merger and acquisition expansion model in this industry, the Group actively promoted the platform output strategy with light assets as the main point, the Group's online platform could serve more communities and families not managed by Colour Life and provide a broader space for the growth of the Group's users. During the reporting period, the Group entered into cooperation with Shaanxi Wanyuan Property Management Group Co., Ltd. (陝西萬源物業管理集團有限公司) and Changsha Public Security Bureau(長沙市公安局), and granted them the right to use the online platform Caizhiyun.

As at 31 December 2018, the Group has cooperated with 95 enterprises under the guidance of the platform output strategy, and the area covered by the cooperation and alliance reached 568.6 million square meters with total platform services area of 1,122.3 mm sq.m. The platform service capability has been recognized by the market, and the user scale advantage has been further consolidated.

## OUTLOOK

Mr. Pan Jun, Director of Colour life, said : In 2019, the Group will optimize and propel the "Colour Benefits Life" platform comprehensively and strive to achieve the gradual replacement of "consumption" by "payment", so that brand new living experience in the community will be eventually achieved. At the same time, the Group will introduce "Colour Benefit Partners" module within the community, achieve the continuous "fission" of management fee "payment" through the community user relationship chain. Finally, it will empower new retail opportunities in the community. Besides that, the Group will continue to improve its property management efficiency

through the “Big Dipper” Strategy, and facilitate management fee increase of certain projects. In 2019, we will keep our mind open, surpass boundaries, display more advantages and innovate the future to serve the community together and create more value for them.

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#### **About Colour Life**

Headquartered in Shenzhen, Colour Life is a leading integrated property services group in China that leverages technologies. In recent year, Colour Life has been implementing business strategies for standardization, for increasing efficiency and effectiveness through modern management and use of technologies and for the automation. By transforming itself into an operator of online platforms, Colour Life maintains its leading position in the field of China’s property management. The business transformation has enabled it to achieve rapid growth in area of properties covered by its service and to provide a kind of community-based services of reasonable quality at affordable costs. Meanwhile, Colour Life leverages Internet so as to broaden the scope of the services of its online platforms to serve the diverse needs of the communities. It is also building a service platform that operates with an online-to-offline business model, thus connecting efficiently the community residents with the providers of various types of products and services and providing the community residents with the best community-based services. The move will help to build an ecosystem of community-based services and thus to maintain the momentum of the Group’s development.

Website:<http://gw.colourlife.com/>

**The news is released by ZHIXINCAIJING on behalf of Colour Life Services Group Co., Limited**

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