



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)

Online Platform Transaction Volume Hits New High as Colour Life Introduces Internet Giants to Co-Build Smart Community

Financial and operational highlights for the first half of 2019:

- **Steady growth in performance with financial structure further optimized**
 - For the six months ended 30 June 2019, a total of RMB 1,811.5 million in revenue was recorded, and the profit attributable to the owners of the company was RMB 215.9 million, with year-on-year growth of 3.1% and 23.2% respectively.
 - As at 30 June 2019, the total debt of Colour Life decreased by 36.7% to RMB 2,639.0 million, and the debt-to-asset ratio decreased by 7.8 percentage points to 63.0%, showing that the financial structure was gradually optimized.
- **Focusing on value-added services and improving community service ecosystem; online platform sees rapid growth**
 - For the six months ended 30 June 2019, the accumulated Gross Merchandise Volume (“GMV”) of the online platform was about RMB 5,546.5 million, representing a year-on-year growth of 27.3%.
 - During the reporting period, the GMV of “Colour Benefits Life” reached RMB 121.0 million, with 621.7 thousand orders, representing a YOY growth 323.1% and 91.1% respectively. And its GMV per order increased to RMB 194.6/order with a YOY growth of 121.1%.
- **Platform service scale continues to expand; user growth highlights future potential**
 - As of 30 June 2019, the total platform service area of the Group has reached 1,205.5 million square meters, an increase of 83.2 million square meters compared with the end of 2018.
 - As of 30 June 2019, the number of registered users in Colour Life's ecosystem surged to about 32.0 million, among which, the number of active users of the ecosystem hiked to 16.4 million, an increase of 21.3% and 17.3% respectively compared with the end of 2018.
- **Deepening Internet layout; JD and 360 introduced to jointly build smart community**
 - Based on the recognition of the Group's core values and past cooperation achievements, on 19 July 2019, the Group reached an agreement with JD and 360 to issue additional shares and raise funds totaling approximately HKD 491 million.
 - In the future, the Group will work with JD and 360 to explore the innovative cross-industry integration of “community + commerce”, “community + logistics”, “community + security” and “community + technology” and to create a warm “smart community”.

(21 August 2019, ShenZhen) The world’s largest community service platform — Colour Life Services Group Co., Limited (“Colour Life” or the “Company”, stock code: 1778.HK; together with its subsidiaries, collectively referred to as the “Group”) is pleased to announce that the Group's unaudited interim results for the six months ended 30 June 2019 (the “Period”).

- **Steady growth in performance; financial structure further optimized**

For the six months ended 30 June 2019, a total of RMB 1,811.5 million in revenue was recorded, and the profit attributable to the owners of the company was RMB 215.9 million, with year-on-year growth of 3.1% and 23.2% respectively.

As at 30 June 2019, the total debt of Colour Life decreased by about RMB 1,532.9 million to RMB 2,639.0 million, and the debt-to-asset ratio decreased by 7.8 percentage points to 63.0% compared with the same period last year, showing that the financial structure was gradually optimized.

- **Focusing on value-added services and improving community service ecosystem; online platform sees rapid growth**

After years of continuous exploration, Colour Life has built an online service platform — “Caizhiyun”(“彩之云”). Adhering to the value and concept of “Service to your family”, the Group has been focusing on providing diversified value-added services for community property owners, and is committed to creating an open ecosystem and exploring value-added services development based on diverse community scenarios with cooperation partners. At present, the whole ecosystem has more than 40 enterprises participating in the community service field in different dimensions. For the six months ended 30 June 2019, the accumulated Gross Merchandise Volume (“GMV”) of the online platform was about RMB 5,546.5 million, representing a year-on-year growth of 27.3%. The value-added services revenue reached RMB 200.4 million, the gross profit margin increased by 10.1 percentage points year-on-year to a relatively high level of 81.9%, contributing 33.2% to the overall profit.

The Group continued to vigorously promote its core product “Colour Benefits Life” (“彩惠人生”) during the reporting period. Property owners can enjoy reduction of property management fees by purchasing goods and services; meanwhile, the Group can improve the collection rate and service

efficiency, and the suppliers can promote transactions with lower marketing expenses. “Colour Benefits Life” has become a key product to enhance the platform's richness and user loyalty. In 2019, “Colour Benefits Life” saw a change in the category of suppliers, innovatively reached cooperation with large e-commerce platforms, and successively introduced mature platforms such as JD, 58-home and Pagoda. During the reporting period, the GMV of “Colour Benefits Life” reached RMB 121.0 million, with 621.7 thousand orders, representing a YOY growth 323.1% and 91.1% respectively. During the first half of 2019, “Colour Benefits Life” helped about 300 thousand households offset their property management fees and its GMV per order increased to RMB 194.6/order from RMB 88.0/order in the same period last year.

- **Increased efficiency helps scale expansion; user growth highlights future potential**

Through continuous platform exploration, the Group has realized the centralization, standardization and automation of property management services. In recent years, the Group has put forward the “Big Dipper” strategy. Through the order-based basic property management services, the service efficiency of the Group has been further improved and laid a good foundation for scale expansion.

As of 30 June 2019, the total platform service area of the Group has reached 1,205.5 million square meters, an increase of 83.2 million square meters compared with the end of 2018. Specifically, the gross floor area (GFA) under management contacts reached 563.5 million square meters, serving 2,824 residential areas. Meanwhile, through the platform output, the GFA under the Group’s cooperation and alliance agreements has reached 642.0 million square meters. The platform service capability has been fully recognized by the market.

The expansion of service scale has brought high user growth for the Group. As of 30 June 2019, the number of registered users in Colour Life's ecosystem surged to about 32.0 million, among which, the number of active users of the ecosystem hiked to 16.4 million, and the active rate maintained a high level of 51.3%, fully guaranteeing the Group’s potential for future growth.

- **Deepening Internet layout; JD and 360 introduced to jointly build smart community**

After constant exploration and adjustment, the Group has become more determined to transform to the Internet + community model. Based on the recognition of the core values and development ideas insisted by the Group, on 19 July 2019, JD and 360 respectively reached a cooperation agreement with the Group in terms of capital and business, agreeing to subscribe new shares of Colour Life. The Group issued additional shares and raised a total of approximately HKD 491 million, and the two companies will account for 5.00% and 3.05% respectively in the enlarged share capital.

In the future, the Group will work with JD and 360 to jointly explore the innovative cross-industry integration of “community + commerce”, “community + logistics”, “community + security” and “community + technology”. Based on the successful experience of “Colour Benefits Life” in previous cooperation, the Group and JD will carry out cooperation in new community retail, community media communication, terminal logistics facility, digital technology empowerment and other aspects in the future. Meanwhile, given 360’s advantage in core security capabilities, the Group will cooperate with 360 comprehensively in fields related to community. Through strategic cooperation with JD and 360, Colour Life’s online and offline operation capacity will be further improved, creating warmer, better-experienced and more efficient “smart community”.

Looking ahead, Mr. Pan Jun, chairman of Colour Life Services Group Co., Limited said: Innovation is the core driving force for the development of Colour Life. The long-term value of Colour Life will be reflected in improving efficiency by technology, ensuring win-win by system and realizing value by products. With the support of JD and 360, we will build smart communities together with these excellent partners in the aspects of retail, logistics, technology and security. In the foreseeable future, Colour Life will adhere to the Internet-based transformation and create a safe, efficient, convenient and warm community service platform. We believe that Colour Life will constantly exert its own advantages based on community scenarios, and persist in creating long-term value with all supporters!

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About Colour Life Services Group Co., Limited

Headquartered in Shenzhen, Colour Life Services Group Co., Limited is a leading technology-based and comprehensive community service platform enterprise in China. In recent years, with a business strategy of standardization, centralization and automation, Colour Life provides the community services that balances efficiency and quality, and has achieved a rapid growth of platform service area. In the meantime, Colour Life focuses on exploring the community scenarios and building online service platforms via the Internet, which efficiently connects community residents with various goods and service suppliers. By building the community service ecosystem, Colour Life provides the excellent residential experience for community residents, and maintains a good development trend of value-added services.

Website of Colour Life Services Group Co., Limited: <http://gw.colourlife.com/>

This press release was issued by Zhixin Investor Relations Consultant Limited on behalf of Colour Life Services Group Co., Limited.

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